

18 April 2024

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 – Third 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, a supplementary target's statement with the Australian Securities Exchange on 7 December 2023 and a second supplementary target's statement with the Australian Securities Exchange on 21 December 2023.

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

Yours faithfully

Mr Matthew Foy
Company Secretary

Third Supplementary Target's Statement

1 Introduction

This document is a supplementary target's statement under section 644 of the *Corporations Act 2001* (Cth). It is the third supplementary target's statement (**Third Supplementary Target's Statement**) issued by Tietto Minerals Limited ACN 143 493 118 (**Tietto**) in relation to the unsolicited conditional off-market takeover bid 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 Third Supplementary Target's Statement supplements, and should be read together with, Tietto's target's statement dated 27 November (**Target's Statement**), Tietto's first supplementary target's statement dated 7 December 2023 (**First Supplementary Target's Statement**) and Tietto's second supplementary target's statement dated 21 December 2023 (**Second Supplementary Target's Statement**).

Unless the context requires otherwise, terms defined in the Target's Statement have the same meaning in this Third Supplementary Target's Statement.

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

If you have any queries in relation to this Third Supplementary Target's Statement, please contact Tietto on +61 (8) 6392 0389, between 9.00 am and 5.00 pm (Perth time) Monday to Friday.

2 Revised Offer

Tietto refers to the second supplementary bidder's statement dated 15 April 2024 (**Second Supplementary Bidder's Statement**) issued by Zhaojin in respect of the Offer. Tietto also refers to the notice issued by Zhaojin dated 15 April 2024 declaring the Offer free from certain defeating conditions (**Notice of Defeating Conditions**).

Pursuant to the Second Supplementary Bidder's Statement and Notice of Defeating Conditions:

- Zhaojin has increased the consideration offered under the Offer from A\$0.58 per Tietto Share to A\$0.68 per Tietto Share, and has declared this price to be best and final and that it will not be increased; and

- Zhaojin has declared the Offer free from certain defeating conditions relating to various Chinese and Côte d'Ivoire regulatory approvals set out in sections 9.7(a) and 9.7(b) of its bidder's statement dated 30 October 2023. The Offer remains subject to a number of other defeating conditions, including a 50.1% minimum acceptance condition,

(together, the **Revised Offer**).

The Directors have considered the Revised Offer and unanimously recommend that Tietto shareholders **REJECT** the Revised Offer by **DOING NOTHING** and **TAKING NO ACTION** in relating to all documents sent to you by Zhaojin.

The reasons for the Directors' unanimous recommendation in respect of the Revised Offer are set out in **sections 2(a) to 2(e)** of this Third Supplementary Target's Statement. Tietto shareholders should also refer to the Target's Statement, the First Supplementary Target's Statement and the Second Supplementary Target's Statement issued by Tietto for further information, including potential reasons why Tietto shareholders may wish to accept the Offer or Revised Offer.

Each Director also intends to **REJECT** the Revised Offer in relation to any Tietto Shares they own or control. Details of each Director's relevant interest in Tietto Shares are set out below.

Director	Number of Tietto Shares	Number of Tietto Options	Number of Tietto Performance Securities
Francis Harper	14,580,530	Nil	Nil
Matthew Wilcox	556,411	2,000,000 TIEAO	1,500,000 TIEAT Class E; 1,000,000 TIEAU Class F
Paul Kitto	5,500,000	Nil	Nil
Hanjing Xu	6,047,789	Nil	Nil
Sabina Shugg AM	Nil	Nil	Nil
Shadrack Sowah Adjetejey	Nil	Nil	Nil

A total of 900,000 TIEAQ Class B Performance Rights held by Francis Harper and Paul Kitto have lapsed as announced on 28 December 2023.

(a) The Revised Offer continues to materially undervalue Tietto

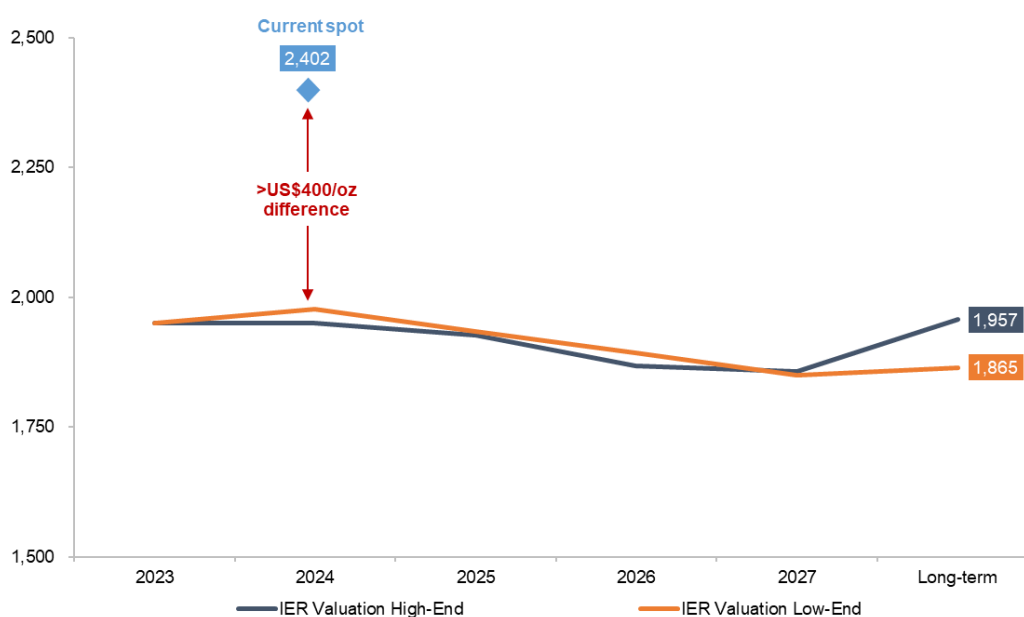
For the purposes of preparing the Target's Statement, Tietto commissioned Grant Thornton Corporate Finance Pty Ltd (**Grant Thornton**) to act as Independent Expert and prepare an Independent Expert's Report in relation to the Offer (being the report attached to the Target's Statement). As part of preparing that report, the Independent Expert conducted an independent valuation of Tietto in accordance with the requirements of ASIC Regulatory Guide 111 and the Valmin Code.

In conducting its independent valuation, the Independent Expert assessed the value of Tietto Shares to be in the range of A\$0.793 – A\$0.927 per Tietto Share on a 100% controlling basis. As the initial Offer price of A\$0.58 per Tietto Share did not fall within the Independent Expert’s valuation range for Tietto, the Independent Expert concluded that the Offer was not fair and not reasonable to Tietto Shareholders not associated with Zhaojin.

Whilst Zhaojin has increased the Offer price under the Revised Offer to A\$0.68 per Tietto Share, the Revised Offer price still remains materially below the Independent Expert’s valuation range for Tietto of A\$0.793 – A\$0.927 per Tietto Share on a 100% controlling basis.

Further, Tietto notes that the spot gold price has increased significantly over recent months to US\$2,402/oz¹ (see **section 2(b)** below) and is materially above the gold prices assumed in the Independent Expert’s Report (see Figure 1 below). As such, it is likely that near term gold sales by Tietto will be at prices materially in excess of the gold prices assumed in the Independent Expert’s Report.

Figure 1: Nominal gold prices used in the IER vs current spot (US\$/oz)



Source: Independent Expert’s Report, Factset as at 12 April 2024. This data has been reproduced without permission.

In addition, in connection with the Second Supplementary Target’s Statement, the Independent Expert was asked to provide a valuation sensitivity for Tietto using a spot gold price of US\$2,041/oz as at 19 December 2023. The sensitivity indicated a valuation of Tietto of A\$0.890 – A\$1.009 per Tietto Share. The Directors note that the spot gold price has increased by 17.7% to US\$2,402/oz² since the date of the Second Supplementary Target’s Statement.

¹ Gold price as at 12 April 2024.

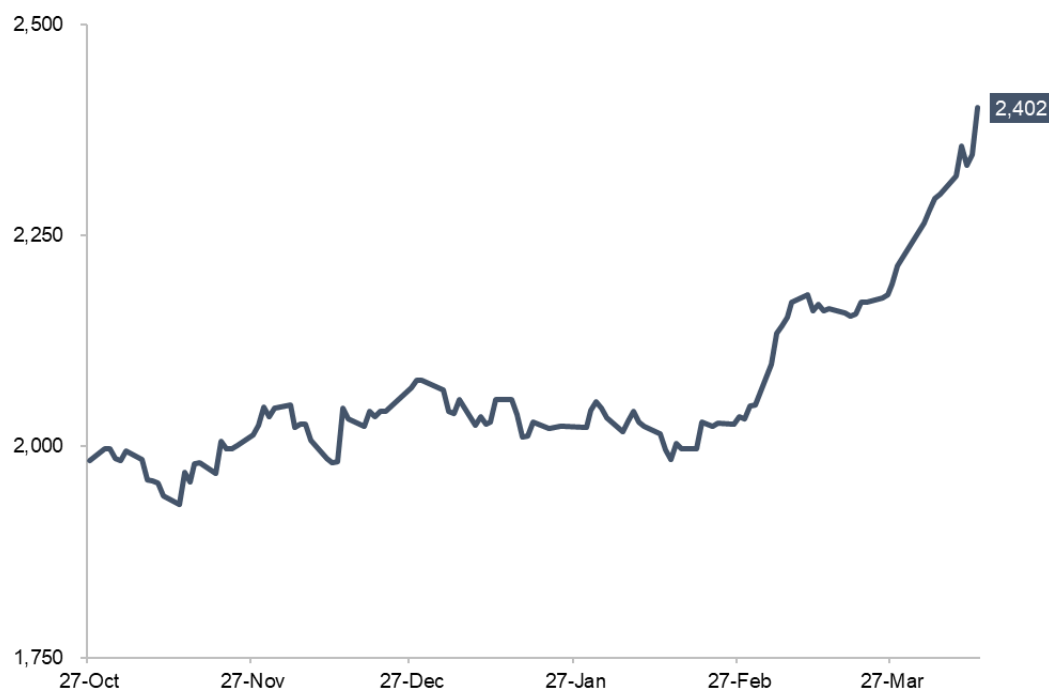
² Gold price as at 12 April 2024.

(b) Spot gold prices have moved significantly higher since announcement of the Offer and the forward curve is well in excess of the current spot price of gold

As at 27 October 2023, being the last trading date prior to announcement of the Offer, the spot gold price was US\$1,983/oz.

Since then, the gold price has increased by 21.1% to US\$2,402/oz³ and continues to demonstrate a sharp trend upwards (see Figure 2 below). Tietto notes the pricing in the current forward curve for gold is significantly in excess of the current spot price (see Figure 3 below).

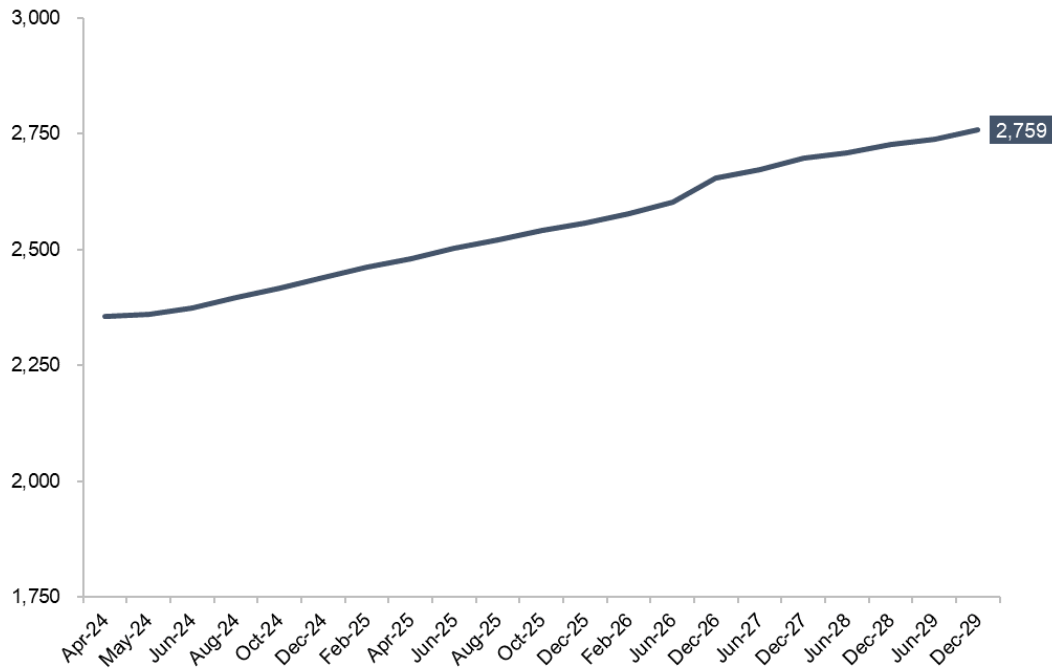
Figure 2: Historical gold price since announcement of the Offer on 30 October 2023 (US\$/oz)



Source: Factset as at 12 April 2024. This data has been reproduced without permission.

³ Gold price as at 12 April 2024.

Figure 3: Gold forward curve – nominal (US\$/oz)



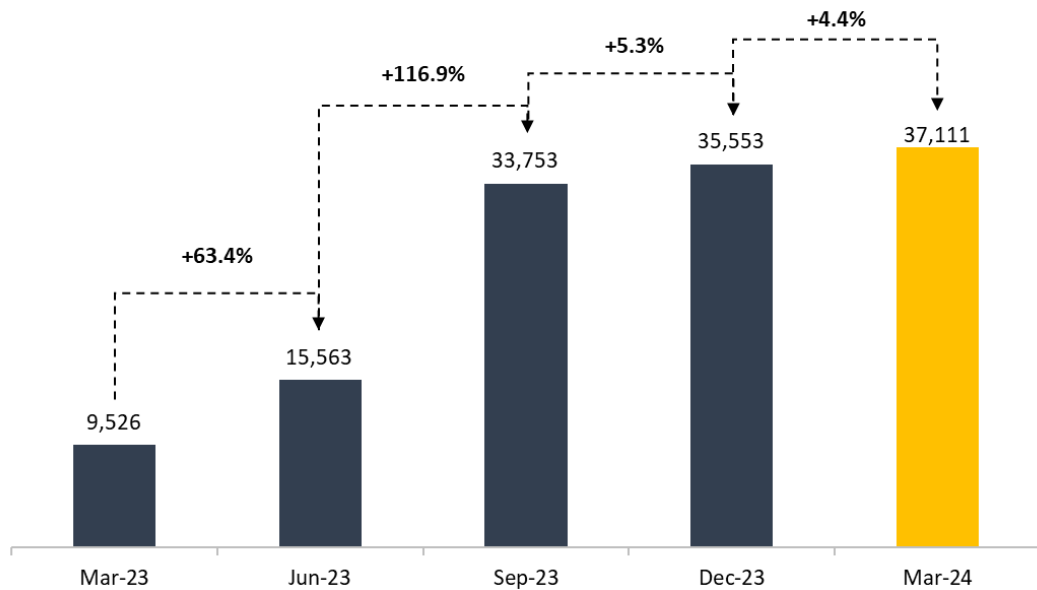
Source: Bloomberg as at 15 April 2024. This data has been reproduced without permission.

Further, Tietto notes that while the Revised Offer price of A\$0.68 per Tietto Share represents a 17.2% increase to the initial Offer price of A\$0.58 per Tietto Share, it is less than the 21.1% increase in the spot gold price during the same period.

(c) The Revised Offer is again opportunistically timed

Tietto has made strong progress on the ramp-up of operations at its Abujar Gold Mine (**Abujar**), including a record quarter of gold production (37.1koz) in March 2024 (and a second straight quarter of +35koz) (see Figure 4 below).

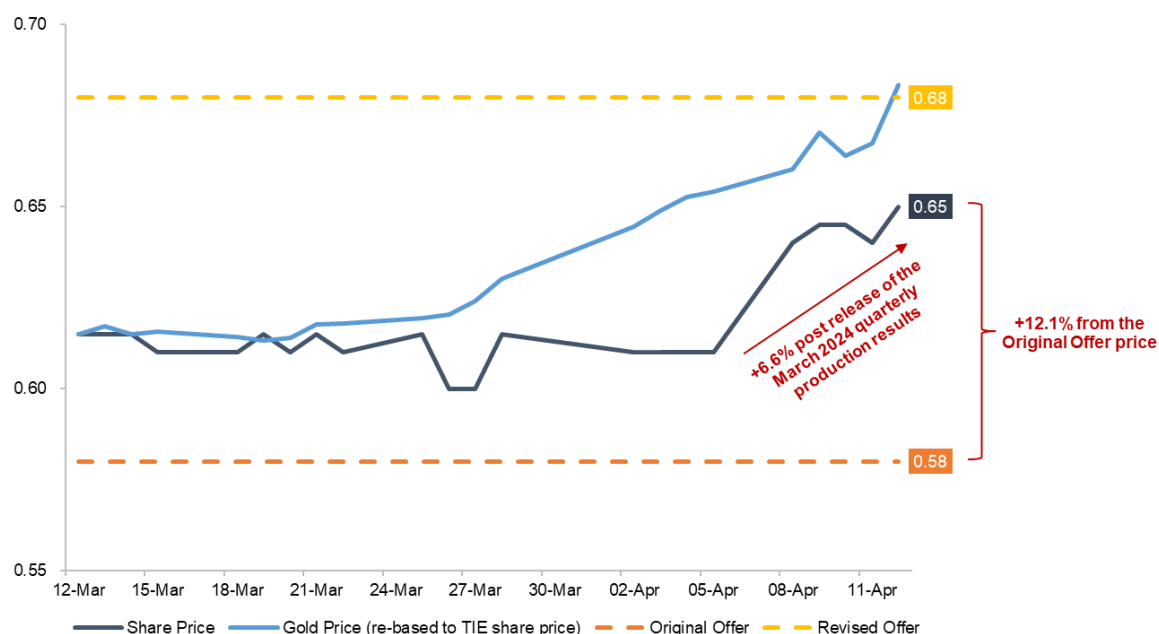
Figure 4: Historical Abujar quarterly gold production



The Directors believe that the release of Tietto’s March 2024 quarterly production report was an important signal to the market regarding Tietto’s ability to operate consistently and to reach target production levels in the LOM plan, and was further evidence of the de-risking of Abujar that has been achieved since the initial Offer was announced in October 2023.

The Directors believe that the Tietto share price had begun to reflect the continued improvement in operational performance at Abujar and the strengthening gold price environment after the release of its March 2024 quarterly production report. This was evidenced by the Tietto share price closing up 4.9% at \$0.64 on 8 April 2024 after trading in a tight band between approximately A\$0.59 and A\$0.62 since the initial Offer. Prior to the announcement of the Revised Offer on 15 April 2024, Tietto’s share price was on an upward trajectory, closing at A\$0.65 per Tietto Share on 12 April 2024 (see Figure 5 below), and having traded at an intraday high of A\$0.66 on 12 April 2024.

Figure 5: Historical 1-month Tietto share price and gold price (re-based to Tietto’s share price) up until the announcement of Zhaojin’s Revised Offer (A\$ per Tietto Share)



Source: Factset as at 12 April 2024. This data has been reproduced without permission.

Further, the Directors believe that the Revised Offer was again opportunistically timed to pre-empt any further increase in Tietto’s share price as a result of the continued improvement in Abujar’s operational performance as well as stronger gold prices.

(d) Tietto’s net liquidity balance has improved significantly since the announcement of the Offer

Despite being in ramp-up, Tietto has already generated significant free cash flow from Abujar and is in a strong net liquidity position, with cash, bullion and VAT receivables (unaudited) of approximately A\$88.8 million (US\$56.8 million) and debt (unaudited) of A\$10.0 million (US\$6.5 million) as at 31 March 2024. This represents

an increase in cash, bullion and VAT receivables of A\$43.5 million, and a debt reduction of US\$11.7 million, since announcement of the Offer on 30 October 2023.

Tietto expects to grow its net liquidity balance considerably over the coming months. The Directors note that the all-in sustaining costs at Abujar for the March 2024 quarter was US\$1,332/oz, which based on current spot gold prices would imply a margin of >US\$1,000/oz. Tietto expects to be debt free at the end of the June 2024 quarter.

Given the strong near-term net liquidity forecast, there may be an opportunity for Tietto to return capital to Shareholders, including in the form of a dividend, potentially as early as H2 CY2024. At this stage, the Directors are yet to make any formal decisions around future capital management.

(e) The Revised Offer remains subject to a number of conditions

Notwithstanding the Notice of Defeating Conditions, the Revised Offer remains subject to a number of conditions, including a 50.1% minimum acceptance condition. Unless and until these conditions are satisfied or waived, Shareholders who accept the Revised Offer will not receive any consideration under the Revised Offer. There can be no guarantee that the remaining conditions precedent to the Revised Offer will be satisfied or waived.

3 Extension of Offer Period

As announced on 28 March 2024, Zhaojin has extended the Offer Period to close at 7:00 pm (Sydney time) on Thursday, 2 May 2024 (unless extended or withdrawn), in accordance with section 650D of the Corporations Act. This extension applies to the Revised Offer. The new date on which Zhaojin must give a notice of the status of the defeating conditions to the Revised Offer is Wednesday, 24 April 2024.

4 Other ASX announcements

Since 21 December 2023 (being the date on which the Second Supplementary Target's Statement was lodged with ASX), Tietto has made the following ASX announcements:

Date	Announcement
28 December 2023	Notification of cessation of securities - TIE
4 January 2024	Takeover – extension of offer period
8 January 2024	Record Monthly Production at Abujar Gold Project
29 January 2024	Quarterly Activities/Appendix 5B Cash Flow Report
31 January 2024	Quarterly Activities/Appendix 5B Cash Flow Report (Updated)
31 January 2024	Becoming a substantial holder from MS

Date	Announcement
1 February 2024	Becoming a substantial holder from MUFG
1 February 2024	Takeover – extension of offer period
2 February 2024	Ceasing to be a substantial holder from MS
2 February 2024	Ceasing to be a substantial holder from MUFG
5 February 2024	Mining Indaba 2024 Conference Presentation
14 February 2024	RIU Explorers Conference 2024 Presentation
20 February 2024	Becoming a substantial holder from MS
20 February 2024	Becoming a substantial holder from MUFG
29 February 2024	Variation of Takeover Bid
29 February 2024	Ceasing to be a substantial holder from MS
1 March 2024	Ceasing to be a substantial holder from MUFG
7 March 2024	Shareholder Briefing
18 March 2024	Becoming a substantial holder
19 March 2024	Becoming a substantial holder from MS
19 March 2024	Becoming a substantial holder from MUFG
22 March 2024	Change in substantial holding from MS
22 March 2024	Change in substantial holding from MUFG
26 March 2024	Closing Date for Director Nominations
28 March 2024	Takeover – extension of offer period
28 March 2024	Appendix 4G and Corporate Governance Statement
28 March 2024	Annual Report to shareholders
5 April 2024	Details of Company Address

Date	Announcement
8 April 2024	Tietto Delivers Record Quarterly Gold Production of 37,111oz
15 April 2024	Notice that defeating conditions to takeover bid freed
15 April 2024	Supplementary Bidder's Statement
15 April 2024	Response to Revised Takeover Offer by Zhaojin
18 April 2024	Quarterly Activities/Appendix 5B Cash Flow Report

5 Consents

As permitted by ASIC Corporations (Takeover Bids) Instrument 2023/683 (**ASIC Instrument 2023/683**), this Third 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 Second 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) 6392 0389. The copy will be provided within two Business Days of the request.

In addition, as permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72 (**ASIC Instrument 2016/72**), this Third Supplementary Target's Statement may include or be accompanied by certain statements:

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

Pursuant to ASIC Instrument 2016/72, the consent of persons to whom such statements are attributed is not required for inclusion of those statements in this Third Supplementary Target's Statement.


6 Authorisation

A copy of this Third Supplementary Target's Statement was lodged with ASIC on 18 April 2024 and provided to ASX on that date. Neither ASIC, ASX nor any of their respective officers take any responsibility for the content of this Third Supplementary Target's Statement.

This Third 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: **18 April 2024**

Signed for and on behalf of
Tietto Minerals Limited by



Mr Francis Harper
Non-Executive Chairman