



10 July 2024

Markets Announcement Office  
ASX Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

## Release of Fifth Supplementary Target's Statement – ACCEPT the Diatreme Offer

Metallica Minerals Limited ACN 076 696 092 (ASX: MLM) (**Metallica**) has today lodged with the Australian Securities and Investments Commission and sent to Diatreme Resources Limited ACN 061 267 061 (ASX: DRX) (**Diatreme**), a copy of its fifth supplementary target's statement dated 10 July 2024 (**Fifth Supplementary Target's Statement**) in response to the off-market takeover from Diatreme.

In accordance with section 647(3)(b) of the *Corporations Act 2001* (Cth) (as inserted by ASIC Corporations (Replacement Bidder's and Target's Statements) Instrument 2023/688), a copy of the Fifth Supplementary Target's Statement is attached to this notice.

An electronic copy of the Fifth Supplementary Target's Statement and updates in relation to the Offer will be made available at <https://www.metallicaminerals.com.au/asx-announcements>. Metallica shareholders with any questions in relation to the Offer, or who wish to request a hard copy of the Target's Statement, the Supplementary Target's Statement, the Second Supplementary Target's Statement, the Third Supplementary Target's Statement, the Fourth Supplementary Target's Statement or the Fifth Supplementary Target's Statement, should contact [admin@metallicaminerals.com.au](mailto:admin@metallicaminerals.com.au).

Authorised for ASX release on behalf of the Independent Board Committee of Metallica.

For further information, please contact:

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## Fifth supplementary target's statement issued by Metallica Minerals Limited ACN 076 696 092

### Revised recommendation to ACCEPT DRX unconditional takeover bid

#### Introduction and important notices

This document is a supplementary target's statement dated 10 July 2024 (**Fifth Supplementary Target's Statement**) and is issued by Metallica Minerals Limited (ACN 076 696 092) (**Metallica**) under section 644(1) of the Corporations Act 2001 (Cth) (**Corporations Act**). This fifth Supplementary Target's Statement supplements, and should be read together with, Metallica's target statement dated 24 April 2024 (**Target's Statement**), the first supplementary target's statement dated 22 May 2024 (**First Supplementary Target's Statement**), the second supplementary target's statement dated 4 June 2024 (**Second Supplementary Target's Statement**), the third supplementary target's statement dated 18 June 2024 (**Third Supplementary Target's Statement**) and the fourth supplementary target's statement dated 24 June 2024 (**Fourth Supplementary Target's Statement**). This Fifth Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement, the First Supplementary Target's Statement, the Second Supplementary Target's Statement, the Third Supplementary Target's Statement and the Fourth Supplementary Target's Statement. Unless context requires otherwise, terms defined in this Fifth Supplementary Target's Statement have the same meaning given in section 11 of the Target's Statement. The rules of interpretation in section 11.2 of the Target's Statement also apply to this document. A copy of this Fifth Supplementary Target's Statement was lodged with ASIC and given to the ASX on 10 July 2024. Neither ASIC, ASX nor any of their respective officers take any responsibility for the content of this Fifth Supplementary Target's Statement.

Metallica Minerals Limited (**MLM**) provides the following update to shareholders:

- On 9 July 2024, MLM announced the appointment of Mr Stephen Everett as Independent Non-Executive Chairman and Mr Greg Starr as Managing Director of MLM. The MLM board now consists of: Mr Brad Sampson, Mr Greg Starr, Mr Michael Chapman and Mr Stephen Everett. The board has established an Independent Board Committee (**IBC**) of independent non-executive directors, Mr Stephen Everett and Mr Brad Sampson. The role of the IBC during the current DRX bid period is to make decisions relating to the DRX bid and any matters where Mr Greg Starr and Mr Michael Chapman (as existing DRX directors) are potentially conflicted.
- DRX's most recent change of substantial holder notice, dated 10 July 2024, discloses voting power in MLM of 82.05%.
- DRX's bid is due to close at 7.00pm Sydney time on Tuesday, 23 July 2024, unless extended. Because the DRX bid is unconditional, DRX may extend its Offer at any time before it closes.
- **The IBC recommends that MLM shareholders ACCEPT the Offer.**
- The IBC has come to this conclusion based on a number of factors that mean that MLM shareholders would likely be better off accepting the Offer, including:

- given the statement of intentions of DRX in the bidder's statement, it may not be attractive to remain a minority holder of MLM;
- in particular, as DRX has achieved voting power in excess of 75% and it has previously stated that it intends to apply to delist MLM from ASX – MLM shareholders who require liquidity in the short to medium term may prefer to accept the DRX Offer, rather than hold unlisted shares in MLM;
- if MLM shareholders believe that DRX will obtain voting power of 90% and proceed to compulsory acquisition, the receipt of consideration from DRX under the Offer will likely be considerably quicker than under the compulsory acquisition process; and
- there is, in the view of the IBC, no longer any likelihood of an alternative or competing proposal on more favourable terms.

Each of these points were discussed in detail in the Fourth Supplementary Target's Statement, and are updated (to the extent necessary) below.

- As was originally identified in the Third Supplementary Target's Statement, there is the potential for MLM to be de-listed from the ASX. In particular, section 8.3 of DRX's bidder's statement, says that if DRX gains effective control of at least 50.1% of MLM shares but is unable to proceed to compulsory acquisition it would seek to remove MLM from the official list of ASX. As previously mentioned, ASX's guidance note on the removal of entities from the official list of ASX notes that, in respect of removal following a takeover bid, ASX would require DRX to have acceptances under its Offer in respect of 75% of the Metallica shares on issue in order to de-list MLM. DRX has achieved this threshold. Notwithstanding that there are additional conditions that ASX requires be satisfied before agreeing to delist MLM, those shareholders who are not minded to accept the DRX Offer, but who require liquidity in the short to medium term, must consider the risk of DRX being successful in seeking to delist MLM.
  - In particular, MLM shareholders who are considering retaining their holding in MLM ought to carefully consider the disadvantages of MLM ceasing to be subject to the ASX Listing Rules, which include minority protections.
  - DRX has taken steps to re-comprise the board of directors of MLM to reflect a majority of DRX nominees. DRX now controls the strategic direction of MLM. MLM shareholders rejecting the bid should consider the potential practical effects of this as was set out in the Fourth Supplementary Target's Statement.
- In light of the above, Mr Brad Sampson has elected to accept the DRX Offer in respect to the 534,063 MLM shares he owns. As it is currently a 'blackout period' in share trading for MLM directors, Mr Stephen Everett has approved Mr Sampson accepting the Offer.

## **Approval of Supplementary Target's Statement**

This Fifth Supplementary Target's Statement has been approved by a resolution passed by the IBC. All members of the IBC voted in favour of the resolution on 10 July 2024.

