



## INTREPID ANNOUNCES MERGER WITH BLACKTHORN RESOURCES AND SHARE BUYBACK

**Brisbane**, 28 August 2014: Intrepid Mines Limited (ASX: 'IAU') ("Intrepid", or the "Company") provides the attached announcement of an agreement to merge Intrepid and Blackthorn Resources Limited (ASX: BTR) and of an Intrepid share buyback.

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28 August 2014

## INTREPID AND BLACKTHORN ANNOUNCE MERGER. INTREPID ANNOUNCES BUYBACK

- **MERGER CREATES A WELL FUNDED COMPANY POSITIONED TO REALISE THE POTENTIAL OF THE KITUMBA COPPER PROJECT**
- **INTREPID SHARE BUYBACK OF UP TO A\$110 MILLION RETURNS SUBSTANTIAL EXCESS CASH TO INTREPID SHAREHOLDERS**

### Transaction Overview

- Scrip merger between Blackthorn and Intrepid by way of a Scheme of Arrangement
- Intrepid to buy back up to A\$110 million of Intrepid shares at A\$0.30 prior to implementation of the Merger
- Blackthorn shareholders to receive 1.078 Intrepid shares for each Blackthorn share they hold<sup>1</sup>
- Exchange ratio allows Blackthorn shareholders to receive scrip consideration with cash backed value of A\$0.356 per Blackthorn share
- Exchange ratio implies a premium of 4% based on the last closing prices and 50% based on the three month VWAPs of Blackthorn and Intrepid shares
- Cash backed value of A\$0.356 per Blackthorn share implies a premium of 34% to the last closing price and 82% to the three month VWAP of Blackthorn shares
- Intrepid and Blackthorn shareholders to own approximately 52% and 48% of the Merged Group respectively, with a pro-forma cash balance of approximately A\$80 million<sup>2</sup>
- Board of the Merged Group to have three directors from Blackthorn and three directors from Intrepid
- Merger has the unanimous support of both the Blackthorn and Intrepid Boards

### Transaction Benefits

- Fully funded to complete the DFS for the Kitumba Copper Project
- Well positioned to pursue attractive high impact exploration opportunities
- Strong re-rating potential to benefit all shareholders
- Opportunity for Intrepid shareholders to see capital returned at an 18% premium to the last share price as well as participate in the development of a significant copper project
- Attractive alternative pathway to access capital for Blackthorn
- Provides Blackthorn shareholders with a more robust market investment

The Boards of Intrepid Mines Limited (ASX: IAU) (**Intrepid**) and Blackthorn Resources Limited (ASX: BTR) (**Blackthorn**) are pleased to announce their agreement to merge by way of a Scheme of Arrangement (the **Merger**). The Merger will create a well funded copper company in a strong position to realise the potential of the Kitumba Copper Project and add value to the broader Mumbwa Project licence areas in Zambia (the **Merged Group**).

Intrepid shareholders will also be given the opportunity to participate in a A\$110 million equal access share buyback from Intrepid's cash holdings before the Merger is effective (the **Intrepid Buyback**). Intrepid considers

<sup>1</sup> Assuming 100% take-up of the Intrepid Buyback

<sup>2</sup> Pro-forma as at announcement date, net of estimated transaction costs and based on 100% take-up of the Intrepid Buyback

that the level of the proposed Buyback appropriately balances the funding requirements of the Merged Group with the stated desire of a number of Intrepid shareholders to receive a return of capital.

The Merged Group's pro-forma cash balance, net of transaction costs, at the time of announcement is approximately A\$80 million.<sup>3</sup> This will position the company to complete the Definitive Feasibility Study (DFS) for Kitumba and to explore the previously under-explored near-Kitumba targets and the wider Mumbwa Project licence areas. Both Intrepid and Blackthorn are confident this will enable substantial upside value to be realised, through a combination of de-risking the project and extending the mine life of Kitumba.

The Boards of both Intrepid and Blackthorn consider that the combination of Intrepid's substantial cash resources with Blackthorn's high quality development project is capable of delivering superior returns to both sets of shareholders.

Intrepid and Blackthorn have entered into a binding Scheme Implementation Deed to give effect to the transaction.

Intrepid Chairman, Ian McMaster said:

*"This transaction follows an intensive review process by Intrepid's team to identify an undervalued asset, into which our cash could be deployed to create more value for shareholders than simply returning all of it. Following an extended process of review and due diligence on numerous assets, our team has determined that the Kitumba Copper Project offers a lot more value than is currently recognised by the market, and we are confident that our cash resources can both add value and unlock this discount over time.*

*Since the sale of Tujuh Bukit completed, we have committed to our shareholders to give them the choice to participate in a compelling new opportunity or see cash returned. This unique transaction structure delivers on that commitment by providing a flexible mechanism for Intrepid shareholders to exit the majority of their investment at a premium to the current share price, as well as get exposure to an exciting copper development asset. Shareholders can ultimately decide on their type and level of exposure, within limits, according to their current investment criteria."*

Blackthorn Chairman, Mike Oppenheimer said:

*"At our AGM last year, we announced that our immediate priorities were to resolve the Perkoa asset underperformance 'for value', to reposition our executive team to pursue development of our Zambian copper assets and to enhance our financial capability to do this. This Merger represents a compelling opportunity for us to move our business forward aggressively with these priority objectives achieved.*

*The valuation of the Mumbwa assets implicit in the Merger transaction represents an attractive return on funds risked by Blackthorn shareholders on these assets to date. The cash resources of the Merged Group provide a stable platform from which to pursue value accretive growth principally from our existing assets in Zambia, but will also allow us to take advantage of business development opportunities.*

*Blackthorn shareholders will also be exposed to greater share trading liquidity and enhanced price stability given the strong cash position of the Merged Group. In an extremely difficult capital markets environment for small cap mining stocks, this transaction will enable Blackthorn to access a significant tranche of capital at a premium to its share price.*

*We look forward to working with the Intrepid Board and management to bring the Merger transaction to a successful conclusion. "*

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<sup>3</sup> Pro-forma as at announcement date, net of estimated transaction costs and based on 100% take-up of the Intrepid Buyback

An indicative timetable of key events prior to implementation of the Merger is set out below. The timetable remains subject to change and will be updated within the respective shareholder documents.

Event	Company	Date
Merger announcement	Blackthorn / Intrepid	28 August
Intrepid Buyback details announced	Intrepid	Early October
Record date for entitlement to Intrepid Buyback	Intrepid	Mid October
Intrepid notice of meeting released to Intrepid shareholders	Intrepid	Mid October
Intrepid Buyback offer documents dispatched to Intrepid shareholders	Intrepid	Mid October
Blackthorn scheme book released to Blackthorn shareholders	Blackthorn	Late October
Close of Intrepid Buyback offer period	Intrepid	Early November
Intrepid shareholder vote on Merger and Intrepid Buyback	Intrepid	Late November
Blackthorn shareholder vote on Merger	Blackthorn	Late November
Intrepid Buyback proceeds distributed	Intrepid	Mid December
Implementation of scheme	Blackthorn / Intrepid	Mid December

Further details of the transaction and the Scheme Implementation Deed are included in the attachment to this announcement.

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#### **Overview of Blackthorn**

Blackthorn Resources Limited (ASX: BTR) is an Australian-based resources company focussed on advancing the Kitumba Copper Project and exploring high priority exploration targets on its Mumbwa tenements in Zambia.

The Mumbwa Project hosts the company's flagship Kitumba deposit and is located in west central Zambia, approximately 200km west of the capital, Lusaka. The Mumbwa Project comprises five contiguous licences with a total area of over 1,000km<sup>2</sup>.

An Optimised Prefeasibility Study (OPFS) for the Kitumba Copper Project was released in April 2014 and demonstrated highly attractive economics based on 58,000tpa of copper production for an initial 11 year mine life. Planning and budgeting for a Definitive Feasibility Study (DFS) on the Kitumba Copper Project is underway with a view to commencing construction in early CY2016.

Blackthorn has also identified a series of attractive additional exploration targets over the previously under-explored near-Kitumba area as well as the wider Mumbwa Project licence areas.

Further details on Blackthorn and its projects are included in the investor presentation accompanying this announcement.

## DETAILS OF THE TRANSACTION

### Merger Terms

Blackthorn shareholders will receive 1.078 Intrepid shares for each Blackthorn share held, assuming 100% take-up of the Intrepid Buyback (**Base Exchange Ratio**). The Base Exchange Ratio implies a price per Blackthorn share of:

- A\$0.275 based on Intrepid's last closing price of A\$0.255 per share, implying a premium of 4% to Blackthorn's last closing price of \$0.265 per share
- A\$0.292 based on Intrepid's three month VWAP of A\$0.271 per share, implying a premium of 50% to Blackthorn's three month VWAP of A\$0.195 per share
- A\$0.356 based on Intrepid's post buyback cash backing of A\$0.330 per share,<sup>4</sup> implying a premium of 34% to Blackthorn's last closing price and 82% to Blackthorn's three month VWAP

As the level of take-up of the Intrepid Buyback will impact the cash backing of Intrepid shares received by Blackthorn shareholders, an adjustment mechanism will operate to increase the Base Exchange Ratio in the event that 100% take-up of the Intrepid Buyback is not achieved. The adjustment mechanism ensures that Blackthorn shareholders will receive scrip consideration with a cash backed value of A\$0.356 per Blackthorn share irrespective of the outcome of the Intrepid Buyback. A working example of the adjustment mechanism is included in the investor presentation accompanying this announcement.

Assuming 100% take-up of the Intrepid Buyback, following completion of the Merger, Intrepid and Blackthorn shareholders will own approximately 52% and 48% of the Merged Group respectively.

### Intrepid Buyback

The Merger is conditional upon Intrepid undertaking an equal access share buyback of A\$110 million prior to the Merger implementation date. The Intrepid Buyback price will be fixed at A\$0.30 per Intrepid share, and offered to all Intrepid shareholders. In the event of over-subscription, shareholders will be scaled back proportionally. In the event of under-subscription, the Merged Group will maintain a higher level of cash resources as well as more issued capital.

Intrepid considers that the level of the proposed Buyback appropriately balances the funding requirements of the Merged Group with the stated desire of a number of Intrepid shareholders to receive a return of capital. Following completion of the Intrepid Buyback and the Merger, the Merged Group would be well funded to complete the Kitumba DFS, embark on an aggressive exploration program, fund corporate costs and maintain a sufficient cash position for contingencies or business development opportunities.

Full details of the Intrepid Buyback will be provided in a separate announcement and in a notice of meeting released prior to the Extraordinary General Meeting seeking Intrepid shareholder approval of the Intrepid Buyback and the Merger.

### Board and Management Team

Following completion of the Merger, the Board of the Merged Group will include three directors from Intrepid and three directors from Blackthorn. Ian McMaster (current Chairman of Intrepid) will be Chairman of the Merged Group with Mike Oppenheimer (current Chairman of Blackthorn) to serve as Deputy Chairman. Mark Mitchell (current CEO of Blackthorn) will be CEO of the Merged Group with Scott Lowe (current CEO of Intrepid) to serve as an Executive Director with responsibility for business development.

Blackthorn and Intrepid believe that combining the talent and expertise of two experienced leadership teams at Board and management level will play an important part in the success of the Merged Group.

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<sup>4</sup> Based on 100% take-up of the Intrepid Buyback and net of estimated transaction costs

## Benefits of the Transaction

### 1) Fully funded to complete the DFS for the Kitumba Copper Project

- The Kitumba Optimised Prefeasibility Study (**OPFS**) released in April 2014 demonstrated highly attractive economics, with an NPV<sub>8</sub> of US\$461 million on a 100% equity basis
- The Merged Group will be funded to complete the DFS for Kitumba, which is expected to further demonstrate the project's potential
- Further details on the Kitumba Project and the OPFS are contained in the investor presentation accompanying this announcement

### 2) Well positioned to pursue attractive high impact exploration opportunities

- Significant exploration program to be undertaken over the previously under-explored near-Kitumba targets and the wider Mumbwa Project licence areas
- A series of targets have been identified over the ~1000km<sup>2</sup> of exploration licences held by Blackthorn
- Drilling has commenced on the near-Kitumba Kakozhi prospect. Other targets expected to be ready for drilling over the next 12 months
- Exploration program represents substantial upside to Kitumba through possible extension of the project's mine life and ability to demonstrate a further copper rich mineral field around the Kitumba deposit
- Exploration success can be followed up without financial constraints

### 3) Strong re-rating potential to benefit all shareholders

- Junior mining companies with pre-feasibility stage projects typically trade at a discount to fundamental value due to uncertainty regarding key project inputs and the lack of financial resources to fully explore the potential upside
- The Merged Group will be well placed to unlock this value discount by completing the DFS to reduce the uncertainty, as well as fund an optimal exploration program to demonstrate the project's full value

### 4) Opportunity for Intrepid shareholders to see capital returned at a premium to the current share price as well as participate in the development of a significant copper project

- Intrepid shareholders have the option to elect to participate in both a return of capital and maintain a continued shareholding in the Merged Group
- Level of Intrepid Buyback appropriately balances the funding requirements of the Merged Group with the desire of a number of Intrepid shareholders to receive a return of capital

### 5) Attractive alternative pathway for Blackthorn to access capital

- Merger represents a highly attractive opportunity relative to alternative pathways for Blackthorn to access an equivalent level of capital
- Transaction conducted at a valuation that provides greater recognition of the underlying value of the portfolio than that currently attributed by the market
- Avoids requirement for highly dilutive on-market capital raising
- Merged Group retains 100% exposure to the Mumbwa assets and Kitumba project

### 6) Provides Blackthorn shareholders with a more robust market investment

- The Merged Group provides scope for significantly greater share trading liquidity
- Shares in the Merged Group will have greater cash backing than current BTR shares, affording a major enhancement in share price stability

## **Unanimous Recommendation by Both Boards**

The directors of Blackthorn unanimously recommend that Blackthorn shareholders vote in favour of the Merger, in the absence of a superior proposal and subject to an Independent Expert opining that the Merger is in the best interests of Blackthorn shareholders. Each director of Blackthorn intends to vote all Blackthorn shares they control in favour of the Merger.

The directors of Intrepid unanimously recommend that Intrepid shareholders vote in favour of both the Merger and the Intrepid Buyback. Each director of Intrepid intends to vote all Intrepid shares they control in favour of the Merger and the Intrepid Buyback.

## **Scheme Implementation Deed and Conditions of the Merger**

Blackthorn and Intrepid have entered into a Scheme Implementation Deed, which contains conditions including:

- Customary regulatory and court approvals;
- Blackthorn shareholder approval of the Merger;
- Intrepid shareholder approval of the Merger and the Intrepid Buyback;
- Conclusion by an Independent Expert that the Merger is in the best interests of Blackthorn shareholders; and
- Receipt of the Kitumba Mining Licence before 30 November 2014 or such later date as agreed between Intrepid and Blackthorn.

The Scheme Implementation Deed also includes customary deal protection for both Blackthorn and Intrepid including no shop and no talk provisions as well as various other provisions relevant to the Merger, including termination rights and the obligations of the companies in the lead up to implementation.

The full terms of the Scheme Implementation Deed are appended to this announcement.

## **Shareholder Approvals**

The Merger will be implemented by way of a Scheme of Arrangement and is therefore subject to approval by 75% of the number of votes cast and 50% of the number of Blackthorn shareholders present and voting at a meeting of Blackthorn shareholders.

A meeting of Blackthorn shareholders to consider the Merger is expected to be held in November and the Merger is expected to be implemented shortly thereafter. A scheme book setting out all relevant information for Blackthorn shareholders, including an Independent Expert's Report, will be circulated to Blackthorn shareholders prior to the meeting.

The transaction is also subject to Intrepid shareholder approval of both the Merger and the Intrepid Buyback, which require approval by 50% of the number of votes cast by Intrepid shareholders present and voting at a meeting of Intrepid shareholders. An Extraordinary General Meeting of Intrepid shareholders is expected to be held in November. A notice of meeting setting out all relevant information for Intrepid shareholders, including an Independent Expert's Report, will be circulated to Intrepid shareholders prior to the meeting.

## **Advisers and Counsel**

Blackthorn has appointed UBS as its financial adviser and Minter Ellison as its Australian legal counsel in relation to the transaction.

Intrepid has appointed Standard Chartered Bank as its financial adviser and Ashurst as its Australian legal counsel in relation to the transaction.

Final Execution Version



## Scheme Implementation Deed

**Blackthorn Resources Limited**

ACN 009 193 980

and

**Intrepid Mines Limited**

ACN 060 156 452



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## Final Execution Version

**THIS DEED** is made on 27 August 2014

### **BETWEEN:**

- (1) **Blackthorn Resources Limited** ACN 009 193 980 of Level 5, Suite 502, 80 William Street, Sydney, NSW 2011 (**Blackthorn**); and
- (2) **Intrepid Mines Limited** ACN 060 156 452 of Level 1, 490 Upper Edward Street, Spring Hill QLD 4000 (**Intrepid**).

### **RECITALS:**

- (A) Intrepid and Blackthorn have agreed that a scheme of arrangement will be proposed under Part 5.1 of the *Corporations Act 2001* (Cth) between Blackthorn and the holders of its ordinary shares in accordance with this document.
- (B) Intrepid and Blackthorn have agreed certain other matters in connection with the Share Scheme as set out in this document.

### **THE PARTIES AGREE AS FOLLOWS:**

#### **1. INTERPRETATION**

##### **1.1 Definitions**

The following definitions apply in this document.

**Announcement** means a press release, announcement, ASX announcement or other public statement (other than a draft explanatory statement, an explanatory statement or supplementary explanatory statement as required under Part 5.1 of the Corporations Act).

**ASIC** means the Australian Securities and Investments Commission.

**ASIC Review Draft** means the draft of the Share Scheme Booklet, which is provided to ASIC for approval under section 411(2) of the Corporations Act.

**ASX** means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires.

**ASX Listing Rules** means the listing rules of ASX.

**Authorisation** means:

- (a) an approval, authorisation, consent, declaration, exemption, licence, notarisation, permit or waiver, however it is described, including any renewal or amendment and any condition attaching to it from or by a Government Agency; and
- (b) in relation to anything that could be prohibited or restricted by law, if a Government Agency acts in any way within a specified period, the expiry of that period without that action being taken.

**Blackthorn Board** means the board of directors of Blackthorn.

**Blackthorn Competing Proposal** means any proposal (including a scheme of arrangement) or offer that would, if completed substantially in accordance with its terms, result in any person or persons other than Intrepid or a member of the Intrepid Group acquiring (directly or indirectly):

- (a) an interest in all or a substantial part of the assets of Blackthorn or the Blackthorn Group;
- (b) a relevant interest in more than 20% of the voting shares of Blackthorn;
- (c) control of Blackthorn within the meaning of section 50AA of the Corporations Act; or
- (d) otherwise acquiring or merging with Blackthorn (including by way of reverse takeover, reverse scheme of arrangement or dual listed company structure).

**Blackthorn Consolidated Tax Group** means the consolidated group of which Blackthorn is the head company. In this definition, "*consolidated group*" and "*head company*" have the meaning respective meanings given by the *Income Tax Assessment Act 1997* (Cth).

**Blackthorn Disclosure Material** means the:

- (a) Blackthorn Due Diligence Information; and
- (b) information available on the Public Registers prior to the date of this document.

**Blackthorn Due Diligence Information** means all written information relating to the business, assets, liabilities, operations, profits and losses, financial position and performance and prospects of Blackthorn and its subsidiaries provided or made available by or on behalf of any member of the Blackthorn Group or its Representatives to Intrepid or its Representatives.

**Blackthorn Excluded Transaction** means a transaction:

- (a) fairly disclosed in the Blackthorn Disclosure Material before the date of this document;
- (b) consistent with a policy relating to employment which was fairly disclosed in the Blackthorn Disclosure Material;
- (c) in relation to the Blackthorn Option Buy Out;
- (d) required to be done or procured by Blackthorn under this document or the Share Scheme; or
- (e) in relation to which Intrepid has expressly consented in writing.

**Blackthorn Group** means Blackthorn and its subsidiaries (each of Blackthorn and each such subsidiary being a member of the Blackthorn Group).

**Blackthorn Material** means information to be included by Blackthorn in the Share Scheme Booklet that explains the effect of the Share Scheme and sets out the information prescribed by the *Corporations Act* and the *Corporations Regulations 2001* (Cth), and any other information that is material to the making of a decision by Blackthorn Shareholders whether or not to vote in favour of the Share Scheme, being information that is within the knowledge of Blackthorn's directors and has not previously been disclosed to Blackthorn Shareholders, other than the Intrepid Material and the Independent Expert's Report.

**Blackthorn Option** means an option to subscribe for a Blackthorn Share, listed in Schedule 2.

**Blackthorn Option Holder** means each holder of a Blackthorn Option.

**Blackthorn Option Buy Out** means the transaction described in clause 5.

**Blackthorn Prescribed Event** means the occurrence of any of the following:

- (a) Blackthorn converting all or any of its shares into a larger or smaller number of shares;
- (b) Blackthorn resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (c) Blackthorn:
  - (i) entering into a buy-back agreement; or
  - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (d) Blackthorn declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its members;
- (e) a member of the Blackthorn Group:
  - (i) issuing shares or securities convertible into shares, or granting an option over its shares, or agreeing to make such an issue or grant such an option other than:
    - (A) to a wholly-owned subsidiary of Blackthorn; or
    - (B) pursuant to the exercise of any convertible securities or options existing as at, and the issue of which has been notified to the ASX before, the date of this document;
    - (C) the vesting or exercising of any Blackthorn Options;
  - (ii) making any change to its constitution;
  - (iii) being deregistered as a company or otherwise dissolved except in the case of a Blackthorn Group member with less than \$100,000 in net assets as at the date of this document;
  - (iv) carrying on its business other than in the ordinary and usual course;
  - (v) acquiring, offering to acquire or agreeing to acquire any one or more assets (including any one or more shares in any company) having a market value that in aggregate is, or the consideration for which in aggregate is, \$100,000 or more;
  - (vi) disposing, offering to dispose or agreeing to dispose of any one or more assets (including any one or more shares in any company), or an interest in any one or more assets, having a market value that in aggregate is, or the consideration for which in aggregate is, \$100,000 or more (and, for the avoidance of doubt, "dispose" includes sell, transfer, grant an option over, declare or create a trust over, surrender, allow to lapse or Encumber), except for the sale of the exploration licences in Burkina Faso to Glencore as approved by Blackthorn shareholders at the extraordinary general meeting on 14 August 2014;

- (vii) granting, or agreeing to grant, any Security Interest over the whole, or a substantial part, of its business or property;
- (viii) entering into, or offering to enter into, any joint venture, asset or profit sharing arrangement, partnership or merger of businesses or of corporate entities (including through a multiple listed companies structure) in respect of any one or more assets (including any one or more shares in any company) or undertakings having a market value that in aggregate is, or involving a commitment or liability that in aggregate is, \$100,000 or more;
- (ix) other than in the ordinary course of business:
  - (A) incurring or committing to, or bringing forward the time for incurring or committing, or granting to another person a right the exercise of which would involve a member of the Blackthorn Group incurring or committing to, any capital expenditure or liability; or
  - (B) foregoing any revenue,for one or more related items or amounts of \$100,000 or more.

(For the avoidance of doubt and for the purposes of this paragraph (ix), ordinary course of business includes, without limitation, any budgeted expenditures of Blackthorn previously approved by the Blackthorn board of directors, and disclosed in writing to Intrepid, prior to the date of this document and that are made substantially in the manner previously approved);

- (x) entering into or resolving to enter into a transaction with any related party of Blackthorn (other than a related party which is a wholly-owned member of the Blackthorn Group) as defined in section 228 of the Corporations Act;
- (xi) changing any accounting policy applied by them to report its financial position other than any change in policy required by a change in applicable accounting standards or law;
- (xii) doing anything that would result in a change in the membership of the Blackthorn Consolidated Tax Group;
- (xiii) other than in accordance with annual remuneration reviews occurring in the ordinary course of business, varying or agreeing to vary the employment arrangements or remuneration of any director or employee of any member of the Blackthorn Group whose annual remuneration as at the date of this document is \$100,000 or more;
- (xiv) amending the terms of an employee share scheme or any other plan or scheme operated for the benefit of directors or employees of any one or more members of the Blackthorn Group;
- (xv) paying or agreeing to pay any bonus, termination or retention payment to any director or employee of any member of the Blackthorn Group except, in accordance with the terms of the contract in place with such person as at the date of this document or otherwise in the ordinary course of business;
- (xvi) employing or agreeing to employ any person the value of whose total remuneration is or is to be \$100,000 or more;

- (xvii) entering into any enterprise bargaining agreement other than in the ordinary course of business or pursuant to contractual arrangements in effect on the date of this document and which have been disclosed in writing to Intrepid prior to the date of this document; or
  - (xviii) disclosing (without having disclosed before the date of this document) the existence of any matter described in subparagraphs (i) to (xvii) above, or announces an intention to do anything described in described in subparagraphs (i) to (xvii) above; or
- (f) an Insolvency Event occurring in relation to a member of the Blackthorn Group, but excluding any Blackthorn Excluded Transaction.

**Blackthorn Provided Material** means the information provided by Blackthorn to Intrepid in accordance with clause 6(g) for inclusion in the Intrepid Meeting Material.

**Blackthorn Share** means each fully paid ordinary share in Blackthorn.

**Blackthorn Shareholder** means each person entered in the Register as a holder of Blackthorn Shares.

**Blackthorn Shareholder Approval** means a resolution in favour of the Share Scheme passed by the required majority of Blackthorn Shareholders under section 411(4)(a)(ii) of the Corporations Act.

**Business Day** means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Brisbane, Queensland and Sydney, New South Wales.

**Claim**, in relation to a person, means any claim, allegation, cause of action, proceeding, liability, suit or demand made against the person concerned however it arises and whether it is present or future, fixed or unascertained, actual or contingent.

**Condition** means a condition precedent set out in clause 3.2.

**Confidentiality Deeds** means the deed of that name between Blackthorn and Intrepid in respect of the proposed Scheme dated 6 June 2014 and 29 July 2014 respectively.

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

**Court** means the Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act agreed in writing between Intrepid and Blackthorn.

**Deed Poll** means a document in the form or substantially in the form of Schedule 4, or in such other form as is agreed in writing between Blackthorn and Intrepid.

**Effective** means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Share Scheme.

**Effective Date** means the date on which the Share Scheme becomes Effective.

**End Date** means 12 December 2014, subject to any extension to that date made under clause 3.7



**Exclusivity Period** means the period commencing on the date of this document and ending on the earlier of:

- (a) termination of this document in accordance with its terms;
- (b) the Implementation Date; and
- (c) the End Date.

**First Court Date** means the first day of the hearing of the Court of an application for an order under section 411(1) of the Corporations Act convening of the Share Scheme Meeting.

**Government Agency** means a government, government department or a governmental, semi-governmental, administrative, statutory or judicial entity, agency, authority, commission, department, tribunal, or person charged with the administration of a law or agency, whether in Australia or elsewhere, including ASIC, ASX, the Takeovers Panel, and any self-regulatory organisation established under statute or by ASX.

**GST Law** means the same as "GST Law" in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**Implementation** means the implementation of the Share Scheme, on it becoming Effective.

**Implementation Date** means the day that is 5 Business Days following the Record Date, or such other date:

- (a) agreed between Intrepid and Blackthorn in writing;
- (b) ordered by the Court; or
- (c) as required by ASX.

**Impugned Amount** means all or any part of the payment required to be made under clause 11.2 or 11.3 that is found by the Takeovers Panel or court to:

- (a) be unlawful;
- (b) involve a breach of directors' duties; or
- (c) constitute Unacceptable Circumstances.

**Independent Expert** means an independent expert to be engaged by Blackthorn to express an opinion on whether the Share Scheme is in the best interests of Blackthorn Shareholders.

**Independent Expert's Report** means a report prepared by the Independent Expert in accordance with ASIC Regulatory Guides 111 and 112.

**Ineligible Overseas Shareholder** means a Blackthorn Shareholder:

- (a) who is (or is acting on behalf of) a resident of a jurisdiction other than Australia or New Zealand and their respective external territories;
- (b) whose address is shown in the Register as a place outside of Australia or New Zealand and their respective external territories,

unless Blackthorn and Intrepid agree that a Blackthorn Shareholder with a registered address outside of Australia and New Zealand should not be treated as an Ineligible Overseas Shareholder and may be issued the New Intrepid Shares in accordance with the Share Scheme and for this purpose the parties agree that shareholders who are residents of, or whose address as shown in the Register is in, USA and Singapore will not be treated as an Ineligible Overseas Shareholder.

Further, if a Blackthorn Shareholder has a registered address outside of Australia, New Zealand, USA or Singapore and Blackthorn considers it appropriate for those shareholders to have the opportunity to receive the New Intrepid Shares, then Intrepid will agree to those shareholders not being treated as Ineligible Overseas Shareholders if Blackthorn can provide, to Intrepid's reasonable satisfaction, at least 3 Business Days before the date on which the Court makes orders under section 411(4)(b) of the Corporations Act approving the Share Scheme, confirmation that there are appropriate exemptions available to allow Intrepid to issue the New Intrepid Shares to those shareholders without having to undertake onerous filing or disclosure obligations in those jurisdictions.

**Insolvency Event** means, in respect of a person:

- (a) an administrator being appointed to the person;
- (b) a controller or analogous person being appointed to the person or any of the person's property;
- (c) an application being made to a court for an order to appoint a controller, provisional liquidator, trustee for creditors or in bankruptcy or analogous person to the person or any of the person's property;
- (d) an appointment of the kind referred to in paragraph (c) being made (whether or not following a resolution or application);
- (e) the holder of a Security Interest or any agent on its behalf, appointing a controller or taking possession of any of the person's property (including seizing the person's property within the meaning of section 123 of the PPSA) or otherwise enforcing or exercising any rights under the Security Interest or Chapter 4 of the PPSA;
- (f) the person being taken under section 459F(1) of the Corporations Act to have failed to comply with a statutory demand;
- (g) an application being made to a court for an order for its winding up;
- (h) an order being made, or the person passing a resolution, for its winding up;
- (i) the person:
  - (i) suspending payment of its debts, ceasing (or threatening to cease) to carry on all or a material part of its business, stating that it is unable to pay its debts or being or becoming otherwise insolvent; or
  - (ii) being unable to pay its debts or otherwise insolvent;
- (j) the person taking any step toward entering into a compromise or arrangement with, or assignment for the benefit of, any of its members or creditors;
- (k) a court or other authority enforcing any judgment or order against the person for the payment of money or the recovery of any property; or

(l) any analogous event under the laws of any applicable jurisdiction,

unless this takes place as part of a solvent reconstruction, amalgamation, merger or consolidation that has been approved by the other party to this document.

**Intrepid Board** means the board of directors of Intrepid.

**Intrepid Buy-Back** has the meaning given to that term in clause 10.

**Intrepid Competing Proposal** means any proposal (including a scheme of arrangement) or offer that would, if completed substantially in accordance with its terms, result in any person or persons other than a member of Blackthorn, Blackthorn or a member of the Blackthorn Group acquiring (directly or indirectly):

- (a) an interest in all or a substantial part of the assets of Intrepid or the Intrepid Group;
- (b) a relevant interest in more than 20% of the voting shares of Intrepid;
- (c) control of Intrepid within the meaning of section 50AA of the Corporations Act; or
- (d) otherwise acquiring or merging with Intrepid (including by way of reverse takeover, reverse scheme of arrangement or dual listed company structure).

**Intrepid Disclosure Material** means:

- (a) the Intrepid Due Diligence Information; and
- (b) information available on the Public Registers prior to the date of this document.

**Intrepid Due Diligence Information** means all written information relating to the business, assets, liabilities, operations, profits and losses, financial position and performance and prospects of Intrepid and its subsidiaries made available by or on behalf of any member of the Intrepid Group or its Representatives to Blackthorn or its Representatives.

**Intrepid Excluded Transaction** means a transaction:

- (a) fairly disclosed in the Intrepid Disclosure Material before the date of this document;
- (b) consistent with a policy relating to employment which was fairly disclosed in the Intrepid Disclosure Material;
- (c) required to be done or procured by Intrepid under this document or the Share Scheme; or
- (d) in relation to which Blackthorn has expressly consented in writing.

**Intrepid Independent Expert** means an independent expert engaged by Intrepid to prepare an Intrepid Independent Expert's Report.

**Intrepid Independent Expert's Report** means any independent expert's report commissioned by Intrepid to express an opinion as to whether the Intrepid Buy-Back is fair and reasonable to all Intrepid Shareholders, prepared in accordance with ASIC Regulatory Guides 111 and 112.

**Intrepid Group** means Intrepid and its subsidiaries.

**Intrepid Material** means the information provided by Intrepid to Blackthorn in accordance with clause 7(h) for inclusion in the Share Scheme Booklet.

**Intrepid Meeting Material** means all material in respect of the Share Scheme and the Intrepid Buy-Back to be provided to Intrepid Shareholders, and any other material also being provided to the Intrepid Shareholders for the purposes of the Intrepid Shareholder Meeting prior to the Intrepid Shareholder Meeting, including the:

- (a) offer documents associated with the Intrepid Buy-Back, including the Intrepid Independent Expert's Report; and
- (b) notice of meeting and explanatory material to be provided to Intrepid Shareholders in relation to the Intrepid Shareholder Meeting.

**Intrepid Option** means an option to subscribe for an Intrepid Share, listed in Schedule 2.

**Intrepid Prescribed Event** means the occurrence of any of the following:

- (a) Intrepid converting all or any of its shares into a larger or smaller number of shares;
- (b) Intrepid resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (c) Intrepid:
  - (i) entering into a buy-back agreement; or
  - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (d) Intrepid declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its members;
- (e) a member of the Intrepid Group:
  - (i) issuing shares or securities convertible into shares, or granting an option over its shares, or agreeing to make such an issue or grant such an option other than:
    - (A) to a wholly-owned subsidiary of Intrepid; or
    - (B) pursuant to the exercise of any convertible securities existing as at, and the issue of which has been notified to the ASX before, the date of this document; or
    - (C) to Intrepid's non-executive directors pursuant to its Non-Executive Directors' Share Plan where each director's interest has been disclosed in writing to Blackthorn before the date of this document;
  - (ii) making any change to its constitution; or
  - (iii) being deregistered as a company or otherwise dissolved except in the case of an Intrepid Group member with less than \$100,000 in net assets, or which is not carrying on business as at the date of this document; or
  - (iv) carrying on its business other than in the ordinary and usual course;

- (v) acquiring, offering to acquire or agreeing to acquire any one or more assets (including any one or more shares in any company) having a market value that in aggregate is, or the consideration for which in aggregate is, \$100,000 or more;
- (vi) disposing, offering to dispose or agreeing to dispose of any one or more assets (including any one or more shares in any company), or an interest in any one or more assets, having a market value that in aggregate is, or the consideration for which in aggregate is, \$100,000 or more (and, for the avoidance of doubt, "dispose" includes sell, transfer, grant an option over, declare or create a trust over, surrender, allow to lapse or Encumber);
- (vii) granting, or agreeing to grant, any Security Interest over the whole, or a substantial part, of its business or property;
- (viii) entering into, or offering to enter into, any joint venture, asset or profit sharing arrangement, partnership or merger of businesses or of corporate entities (including through a multiple listed companies structure) in respect of any one or more assets (including any one or more shares in any company) or undertakings having a market value that in aggregate is, or involving a commitment or liability that in aggregate is, \$100,000 or more;
- (ix) other than in the ordinary course of business:
  - (A) incurring or committing to, or bringing forward the time for incurring or committing, or granting to another person a right the exercise of which would involve a member of the Intrepid Group incurring or committing to, any capital expenditure or liability; or
  - (B) foregoing any revenue,
 for one of more related items or amounts of \$100,000 or more;
- (x) entering into or resolving to enter into a transaction with any related party of Intrepid (other than a related party which is a wholly-owned member of the Intrepid Group) as defined in section 228 of the Corporations Act;
- (xi) changing any accounting policy applied by them to report its financial position other than any change in policy required by a change in applicable accounting standards or law;
- (xii) doing anything that would result in a change in the membership of the Intrepid Consolidated Tax Group;
- (xiii) other than in accordance with annual remuneration reviews occurring in the ordinary course of business, varying or agreeing to vary the employment arrangements or remuneration of any director or employee of any member of the Intrepid Group whose annual remuneration as at the date of this document is \$100,000 or more;
- (xiv) amending the terms of an employee share scheme or any other plan or scheme operated for the benefit of directors or employees of any one or more members of the Intrepid Group;
- (xv) paying or agreeing to pay any bonus, termination or retention payment to any director or employee of any member of the Intrepid Group except in

accordance with the terms of the contract in place with such person as at the date of this document or otherwise in the ordinary course of business;

- (xvi) employing or agreeing to employ any person the value of whose total remuneration is or is to be \$100,000 or more;
  - (xvii) entering into any enterprise bargaining agreement other than in the ordinary course of business or pursuant to contractual arrangements in effect on the date of this document and which have been disclosed in writing to Intrepid prior to the date of this document; or
  - (xviii) disclosing (without having disclosed before the date of this document) the existence of any matter described in subparagraphs (i) to (xvii) above, or announces an intention to do anything described in described in subparagraphs (i) to (xvii) above; or
- (f) an Insolvency Event occurring in relation to a member of the Intrepid Group (except in the case of an Intrepid Group member with less than \$100,000 in net assets as at the date of this document),

but excluding:

- (g) any occurrence relating to the closure of Intrepid's representative office in Jakarta, including the divestment or liquidation of related assets and the termination of contracts of employment providing that the aggregate liabilities, or anticipated contingent liabilities, for these events do not exceed \$100,000;
- (h) the buy-back of Intrepid Shares pursuant to the Intrepid Buy-Back;
- (i) the payment of a cash amount of \$320,000 to Scott Lowe in lieu of the issue of securities pursuant to the long term incentive component of his remuneration package; or
- (j) any Intrepid Excluded Transaction.

**Intrepid Share** means a fully paid ordinary share in Intrepid.

**Intrepid Shareholder** means each person entered in the register of members of Intrepid as a holder of Intrepid Shares.

**Intrepid Shareholder Approval** means:

- (a) the approval by Intrepid Shareholders by ordinary resolution to the acquisition by Intrepid of the Blackthorn Shares in accordance with the Share Scheme terms for all purposes including pursuant to Chapter 11 of the ASX Listing Rules; and
- (b) the approval by Intrepid Shareholders by ordinary resolution of the Intrepid Buy-Back.

**Intrepid Shareholder Meeting** means the meeting of Intrepid Shareholders where Intrepid Shareholders will be asked to consider and approve:

- (a) as an ordinary resolution, the acquisition by Intrepid of the Blackthorn Shares in accordance with the Share Scheme terms;
- (b) as an ordinary resolution, the Intrepid Buy-Back,

which resolutions set out in paragraphs (a) and (b) above will be inter-conditional;  
and

(c) at Intrepid's election, either of the following resolutions (being the **Alternative Resolution**):

- (i) as an ordinary resolution, pursuant to section 257B of the Corporations Act an equal access share buy-back under which all Intrepid Shareholders as at the relevant record date will be given the opportunity to elect that some or all or their Intrepid Shares are bought back by Intrepid for the amount of \$0.275 per Intrepid Share; or
- (ii) as a special resolution, for the purposes of sections 256B(1)(c) and 256C(1) of the Corporations Act, Regulation 30 of Intrepid's constitution and for all other purposes, a reduction in Intrepid's issued ordinary share capital to permit the return to all Intrepid Shareholders as at the relevant record date of the amount of \$0.275 per Intrepid Share,

where such Alternative Resolution will begin with the words "*Only if either Resolution 1 (approving the Share Scheme) or Resolution 2 (approving the Intrepid Buy-Back) are not approved, to consider and, if thought fit to pass the following ...*" and where such Alternative Resolution will only be put to Intrepid Shareholders if either of the resolutions set out in paragraphs (a) and (b) above are not approved by Intrepid Shareholders.

**Loss** includes any loss, damage, liability, obligation, compensation, fine, penalty, charge, payment, cost or expense (including any legal cost and expense) however it arises and whether it is present or future, fixed or unascertained, actual or contingent but excluding any consequential or indirect loss, economic loss or loss of profits.

**Material Adverse Effect**, in relation to a party, means a material adverse effect on the structure, business, assets, liabilities, operations, financial or trading position or performance and prospects of the party and its subsidiaries, taken as a whole, which diminishes the value and prospects of the party and its subsidiaries, taken as a whole of not less than \$500,000, including (without limitation), any material investigation, prosecution, arbitration, litigation or dispute being threatened against the party's Group which could reasonably be expected to give rise to a liability for the party's Group in excess of \$500,000 (**Material Proceedings**), or circumstances arising which would reasonably be expected to give rise to any Material Proceedings, but excluding any event, occurrence or matter:

- (a) which is fully and fairly disclosed in an ASX lodgement made by the affected party prior to the Execution Date;
- (b) which is a change in generally accepted accounting principles or the interpretation of them;
- (c) which is solely a change in interest rates, commodity prices or currency exchange rates;
- (d) required to be undertaken or procured by a party pursuant to the terms of this document; or
- (e) to the extent that event, occurrence or matter was known to the non-affected party prior to the date of this document (which does not include knowledge of the risk of an event, occurrence or matter happening).

**Meeting Date** means the date on which Blackthorn Shareholders vote on a resolution to approve the Share Scheme under section 411(4)(a)(ii) of the Corporations Act.

**Mining Licence Approval** means the granting of a mining licence pursuant to the Mines and Minerals Development Act 2008, Republic of Zambia, to succeed Blackthorn's Prospecting Licence 8589-HQ-LPL;

**Mining Licence Approval End Date** means 28 November 2014, or such later date as agreed between Intrepid and Blackthorn in writing.

**New Intrepid Share** means Intrepid Shares to be issued under the Share Scheme as Share Scheme Consideration.

**PPS Security Interest** means a security interest that is subject to the PPSA.

**PPSA** means the *Personal Property Securities Act 2009* (Cth).

**Public Registers** means the records made available for public inspection by ASIC and ASX.

**Record Date** means 7:00pm (Sydney time) on the day which is five Business Days after the Effective Date, or any other date (after the Effective Date) agreed by the parties to be the record date to determine entitlements to receive Share Scheme Consideration under the Share Scheme.

**Register** means the register of Blackthorn Shareholders.

**Relevant Date** means, in relation to a Condition, the date or time specified in this document for its fulfilment or, if no date or time is specified, 8.00 am on the Second Court Date, subject, in either case, to extension of that date made pursuant to clause 3.7(f).

**Representatives** means, in relation to an entity:

- (a) each of the entity's subsidiaries; and
- (b) each of the directors, officers, employees and legal, financial and other expert advisers of the entity or any of its subsidiaries.

**Scheme Booklet** means the information memorandum in respect of the Share Scheme to be approved by the Court and dispatched to Blackthorn Shareholders, and includes the Share Scheme, a copy of the Deed Poll executed by Intrepid, an explanatory statement as that term is defined in section 412 of the Corporations Act, the Independent Expert's Report and a notice of meeting and proxy form.

**Scheme Shareholders** means each Blackthorn Shareholder as at the Record Date (taking into account registration of all registrable transfers and transmission applications received at Blackthorn's share registry by the Record Date) but excluding Ineligible Overseas Shareholders.

**Scheme Resolution** means a resolution to approve the Share Scheme.

**Second Court Date** means the first day on which the Court hears the application for an order under section 411(4)(b) of the Corporations Act approving the Share Scheme or, if the application is adjourned or subject to appeal for any reason, the first day on which the adjourned or appealed application is heard.

**Security Interest** means any security interest, including:



- (a) any other mortgage, charge, pledge or lien; or
- (b) any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property.

**Share Scheme** means a scheme of arrangement under Part 5.1 of the Corporations Act between Blackthorn and the Blackthorn Shareholders in the form or substantially in the form of Schedule 3 or in such other form as is agreed in writing between Blackthorn and Intrepid, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved by each party.

**Share Scheme Consideration** means the number of Intrepid Shares for each Blackthorn Share held by a Scheme Shareholder as at the Record Date as determined by the following formula (subject to rounding in accordance with clause 2.4(b)), which based on the current issued capital of Intrepid as at the date of this document will provide a result of between 1.078 and 1.147 Intrepid Shares for each Blackthorn Share:

$$\text{Share Scheme Consideration} = 0.356 / ((A - B) / C)$$

Where:

A = 173,000,000

B = the cash amount to be paid by Intrepid under the Intrepid Buy-Back, which is subject to Intrepid Shareholder Approval being obtained

C = the number of Intrepid Shares on issue at the close of trading of Intrepid's securities on the ASX on the last day of the Intrepid Buy-Back offer period, less the number of Intrepid Shares to be bought back under the Intrepid Buy-Back, which is subject to Intrepid Shareholder Approval

**Share Scheme Meeting** means the meeting of Blackthorn Shareholders to be convened as ordered by the Court under section 411(1) of the Corporations Act, to consider the Share Scheme.

**Takeovers Panel** means the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).

**Timetable** means the timetable set out in Schedule 1, subject to any modifications as the parties may agree in writing.

**Unacceptable Circumstances** has the meaning given to that term in section 657A of the Corporations Act.

## 1.2 Rules for interpreting this document

Headings and catchwords are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
  - (i) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;

- (ii) a document (including this document) or agreement, or a provision of a document (including this document) or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
  - (iii) a party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
  - (iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
  - (v) anything (including a right, obligation or concept) includes each part of it.
- (b) A singular word includes the plural, and vice versa.
  - (c) A word which suggests one gender includes the other genders.
  - (d) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
  - (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
  - (f) The words **associate, controller, entity, officer, relevant interest, security interest** and **subsidiary** have the same meanings as given by the Corporations Act.
  - (g) A reference to **\$** or **dollar** is to Australian currency.
  - (h) The word **agreement** includes an undertaking or other binding arrangement or understanding, whether or not in writing.
  - (i) The expression **this document** includes the agreement, arrangement, understanding or transaction recorded in this document.
  - (j) Words defined in the GST Law have the same meaning in clauses concerning GST.
  - (k) A reference to time in this document is a reference to time in Sydney, New South Wales.

### 1.3 **Non-Business Days**

If the day on or by which a person must do something under this document is not a Business Day the person must do it on or by the next Business Day.

## 2. **BLACKTHORN SCHEME**

### 2.1 **Agreement to propose and implement the Share Scheme**

- (a) Blackthorn agrees to propose and implement the Share Scheme in accordance with Part 5.1 of the Corporations Act and subject to the terms of this document, and must use all reasonable endeavours to do so substantially in accordance with the Timetable.
- (b) Intrepid agrees to assist Blackthorn to propose and implement the Share Scheme in accordance with Part 5.1 of the Corporations Act and subject to the terms of this document, and must use all reasonable endeavours to do so substantially in accordance with the Timetable.

## 2.2 **Outline of the Share Scheme**

Subject to the terms of this document, on the Implementation Date, all of the Blackthorn Shares held by Scheme Shareholders will be transferred to Intrepid and the Scheme Shareholders will be entitled to receive the Share Scheme Consideration.

## 2.3 **No amendments to the Share Scheme without consent**

Blackthorn must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Share Scheme without the prior written consent of Intrepid or the consent of Intrepid's representative in attendance at Court proceedings for the Share Scheme (which consents must not be unreasonably withheld or delayed).

## 2.4 **Share Scheme Consideration**

- (a) Intrepid agrees and undertakes to Blackthorn that in consideration of the transfer to Intrepid of each Blackthorn Share held by a Scheme Shareholder under the terms of the Share Scheme, Intrepid will on the Implementation Date, subject to the terms of this document, the Deed Poll and the Share Scheme, accept that transfer and issue the Share Scheme Consideration to each Scheme Shareholder as at the Record Date.
- (b) Any fractional entitlement of a Scheme Shareholder to part of an Intrepid Share will be rounded up or down to the nearest whole number of Intrepid Shares in accordance with the Share Scheme (and if the fraction entitlement would include one-half of an Intrepid Share, the entitlement will be rounded up to the nearest whole number of Intrepid Shares in accordance with the Share Scheme).
- (c) Unless Intrepid is satisfied that it may lawfully issue New Intrepid Shares to an Ineligible Overseas Shareholder either unconditionally or after compliance with terms which Intrepid reasonably regards as acceptable and practical, Intrepid has no obligation to allot or issue New Intrepid Shares to the Ineligible Overseas Shareholder.
- (d) If Intrepid elects not to allot or issue New Intrepid Shares to an Ineligible Overseas Shareholder under clause 2.4(c), it must allot and issue the New Intrepid Shares to which the Ineligible Overseas Shareholder would otherwise become entitled to a nominee appointed by Intrepid (with the consent of Blackthorn, not to be unreasonably withheld or delayed). Intrepid must procure that the nominee sell those New Intrepid Shares at the time and the nominee must then pay to that Ineligible Overseas Shareholder the proceeds received after deducting any applicable fees, brokerage, taxes and charges.

## 3. **CONDITIONS**

### 3.1 **Obligations not binding until Conditions satisfied**

Subject to this clause 3, the obligations of the parties with respect to Implementation (including the obligations of Intrepid under clauses 2.4 above and 7(v) below) do not become binding unless and until each Condition is satisfied or waived under clause 3.4.

### 3.2 Conditions

The Conditions are as follows:

#### *Conditions for the benefit of both parties*

- (a) **(Independent Expert's Report)** the Independent Expert's Report concludes that the Share Scheme is in the best interests of Blackthorn Shareholders and the Independent Expert maintains that opinion (including by not withdrawing or changing that opinion) at all times up to 8.00am on the Second Court Date;
- (b) **(orders convening Meeting)** the Court makes orders convening the Share Scheme Meeting under section 411(1) of the Corporations Act;
- (c) **(Blackthorn Shareholder Approval)** Blackthorn Shareholder Approval is obtained at the Share Scheme Meeting convened in accordance with the orders made under section 411(1) of the Corporations Act;
- (d) **(Intrepid Shareholder Approval)** Intrepid Shareholder Approval is obtained;
- (e) **(Court approval of Scheme)** the Court makes orders under section 411(4)(b) of the Corporations Act approving the Share Scheme;
- (f) **(order lodged with ASIC)** an office copy of the Court order approving the Share Scheme is lodged with ASIC under section 411(4)(b) of the Corporations Act;
- (g) **(no restraint adversely affecting Implementation)** no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the acquisition of all the Blackthorn Shares by Intrepid or otherwise preventing Implementation is in effect at 8.00 am on the Second Court Date;
- (h) **(ASX quotation)** before 8.00 am on the Second Court Date, the New Intrepid Shares to be issued to Scheme Shareholders in accordance with the Share Scheme are approved for official quotation on ASX, which approval may be conditional on the issue of those shares and other conditions customarily imposed by ASX;
- (i) **(Mining Licence Approval)** before 8.00 am on the Mining Licence Approval End Date, the Mining Licence Approval has been obtained;
- (j) **(ASIC and ASX consents)** before 8.00am on the Second Court Date, ASIC and ASX issue or provide such consents or approvals or have done such other acts which Blackthorn and Intrepid agree are reasonably necessary to implement the Scheme;
- (k) **(Intrepid Independent Expert's Report)** the Intrepid Independent Expert's Report concluding that the Intrepid Buy-Back is either fair and reasonable, or not fair but reasonable, to all Intrepid Shareholders and the Intrepid Independent Expert maintaining that opinion (including by not withdrawing or changing that opinion) at all times up until the conclusion of the Intrepid Shareholder Meeting;

#### *Conditions for the benefit of Intrepid*

- (l) **(no Material Adverse Effect on Blackthorn)** during the period commencing on the date of this document and ending at 8.00 am on the Second Court Date, no one or more events, occurrences or matters individually or in aggregate that have or could reasonably be expected to have a Material Adverse Effect on Blackthorn, occurs or becomes known to Intrepid, other than a Material Adverse Effect that resulted solely from an event, occurrence or matter which:

- (i) was fairly disclosed in the Blackthorn Disclosure Material;
  - (ii) was due to one or more acts or omissions which were required to be done or procured by Blackthorn under this document or the Share Scheme;
  - (iii) was due to one or more acts or omissions which Intrepid expressly consented to in writing;
  - (iv) was attributable to the approval of Mining Licence not being obtained prior to the Mining Licence Approval End Date; or
  - (v) is a Blackthorn Excluded Transaction;
- (m) **(no Blackthorn Prescribed Event)** during the period commencing on the date of this document and ending at 8.00 am on the Second Court Date, no Blackthorn Prescribed Event occurs;
- (n) **(Blackthorn representations and warranties)** each of the representations and warranties given or made by Blackthorn under clause 18 below is true and correct as at the time it is given or made;

*Conditions for the benefit of Blackthorn*

- (o) **(no Material Adverse Effect on Intrepid)** during the period commencing on the date of this document and ending at 8.00 am on the Second Court Date, no one or more events, occurrences or matters individually or in aggregate that have or could reasonably be expected to have a Material Adverse Effect on Intrepid, occurs or becomes known to Blackthorn unless that event, occurrence or matter:
- (i) was fairly disclosed in the Intrepid Disclosure Material;
  - (ii) was due to one or more acts or omissions which were required to be done or procured by Intrepid under this document or the Share Scheme;
  - (iii) was due to one or more acts or omissions which Blackthorn expressly consented to in writing; or
  - (iv) was an Intrepid Excluded Transaction;
- (p) **(no Intrepid Prescribed Event)** during the period commencing on the date of this document and ending at 8.00 am on the Second Court Date, no Intrepid Prescribed Event occurs; and
- (q) **(Intrepid representations and warranties)** each of the representations and warranties given or made by Intrepid under clause 18 below is true and correct as at the time it is given or made.

**3.3 Benefit of Conditions**

The Conditions in:

- (a) clauses 3.2(a) to 3.2(k) are for the benefit of each party (except that clauses 3.2(b), 3.2(c), 3.2(e) and 3.2(j) cannot be waived by any party);
- (b) clauses 3.2(l) to 3.2(n) are for the benefit of Intrepid; and
- (c) clauses 3.2(o) to 3.2(q) are for the benefit of Blackthorn.

### 3.4 **Waiver of Conditions**

- (a) If a Condition has been included for the benefit of:
  - (i) one party only, only that party may, in its sole and absolute discretion, waive the breach or non-fulfilment of the Condition; or
  - (ii) more than one party, the breach or non-fulfilment of the Condition may be waived only by the consent of all those parties, except in relation to clauses 3.2(b), 3.2(c), 3.2(e) and 3.2(j) which cannot be waived by the parties.

However, a party for whom a Condition has been included must not waive the Condition if it would result in a breach of law.

- (b) The breach or non-fulfilment of a Condition may only be waived in writing.
- (c) If a party waives the breach or non-fulfilment of a Condition, that waiver precludes the party from suing another party for any breach of this document that resulted in the breach or non-fulfilment of the Condition.

### 3.5 **Fulfilment of Conditions**

Each party must:

- (a) use its reasonable endeavours (other than by waiver) to ensure and procure that each Condition is satisfied as soon as practicable after the date of this document;
- (b) not take any action or refrain from taking any action (except as required by law) designed to prevent the Conditions being satisfied, without the prior consent of the other party;
- (c) keep the other party promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions;
- (d) promptly inform the other party of any circumstances of which it becomes aware which may result in any of the Conditions not being satisfied in accordance with its terms; and
- (e) promptly advise the other party of the satisfaction of a Condition.

### 3.6 **Parties to provide certificate to Court**

Each of Blackthorn and Intrepid must provide to the other and to the Court before or at the Second Court Hearing, a certificate or such other evidence as the Court requests, confirming whether or not the conditions set out in clause 3.2 of this document included for its benefit, other than the conditions in clause 3.2(e) and 3.2(f), have been satisfied (or waived by it) in accordance with the terms of this document.

### 3.7 **If a Condition is not fulfilled or waived**

Subject to clause 3.4(a), if:

- (a) a Condition set out in clause 3.2(a) to 3.2(d) inclusive and clause 3.2(g) to 3.2(q) inclusive has not been fulfilled by the Relevant Date and is not waived;
- (b) a Condition set out in clause 3.2(e) or 3.2(f) has not been fulfilled or waived by the End Date;
- (c) the Effective Date does not occur on or prior to the End Date; or

- (d) there is an act, failure to act, event or occurrence which will prevent a Condition being fulfilled by:
  - (i) in the case of a Condition in clause 3.2(a) to 3.2(d) inclusive or clause 3.2(g) to 3.2(q) inclusive, the Relevant Date; or
  - (ii) in the case of a Condition in clause 3.2(e) or 3.2(f), the End Date,(and the breach or non-fulfilment of the Condition which would otherwise occur has not been waived),

the parties:

- (e) must consult in good faith to determine whether the Share Scheme may proceed by way of alternative means or method so as to achieve a commercial outcome which reflects the Share Scheme; and
- (f) may agree to extend the Relevant Date or the End Date, or both.

#### 4. **OBLIGATIONS OF THE PARTIES**

Each party must use reasonable endeavours to give effect to the Share Scheme, subject to compliance with their respective obligations, powers and duties under this document, their constituent documents and all applicable laws and the proper performance by the directors of each of Blackthorn and Intrepid respectively of their fiduciary duties.

#### 5. **BLACKTHORN OPTION BUY OUT**

- (a) As soon as practicable following the date of this document, Blackthorn and Intrepid will use their best endeavours to enter into binding written agreements with each Blackthorn Option Holder which will set out the terms on which:
  - (i) Blackthorn Option Holders will have their Blackthorn Options cancelled on the Implementation Date (conditional on the Scheme being implemented and the Option Consideration being issued) in exchange for Intrepid issuing the Option Consideration (as described in clause 5(a)(ii) below) to them on the Implementation Date;
  - (ii) in consideration for the Blackthorn Option Holders cancelling their Blackthorn Options, Intrepid will issue Intrepid Shares (**Option Consideration**) to each Blackthorn Option Holder, with the number of such shares to be calculated as set out in Schedule 5 to this document; and
  - (iii) in respect of any Option Consideration granted to Mr Mark Mitchell, Mr Mitchell will be restricted in dealing (including by way of selling, transferring or creating a trust over) with 50% of the Option Consideration for a period of 12 months following the issue of the Option Consideration and Mr Mitchell will agree to Intrepid implementing any reasonable procedure it considers to restrict such dealings, including by way of a Holding Lock (as such term is defined in chapter 19 of the ASX Listing Rules except that the restriction will be lifted if a takeover bid is made for Intrepid or a scheme of arrangement is proposed for all of the shares in Intrepid),

##### **(Blackthorn Option Buy Out)**

- (b) Blackthorn and Intrepid agree to use their best endeavours to and do all things reasonably necessary to:

- (i) enter into binding written agreements with Blackthorn Option Holders before the date of the Scheme Meeting for the cancellation of the Blackthorn Options consistent with the terms of this clause 5; and
- (ii) effect the Blackthorn Option Buy Out on the Implementation Date.

6. **BLACKTHORN OBLIGATIONS**

Blackthorn must take all necessary steps to propose and implement the Share Scheme as expeditiously as practicable and use all reasonable endeavours to do so substantially in accordance with the Timetable, including taking each of the following steps:

- (a) **(Announcement)** on the date of this document, make an Announcement, in a form agreed between Blackthorn and Intrepid which includes a statement (on the basis of written statements made to it by each of its directors) that each director of Blackthorn:
  - (i) considers the Share Scheme to be in the best interest of Blackthorn Shareholders and recommends to Blackthorn Shareholders that the Share Scheme be approved; and
  - (ii) who holds Blackthorn Shares intends to vote his or her Blackthorn Shares in favour of the Share Scheme,

subject to no superior proposal emerging and the Independent Expert's Report opining at all times prior to the Second Court Date that the Share Scheme is in the best interest of Blackthorn Shareholders;

- (b) **(directors' approval)** use reasonable endeavours to procure that, subject to:
  - (i) the proper performance by its directors of their fiduciary duties;
  - (ii) no superior proposal emerging; and
  - (iii) the Independent Expert's Report opining at all times prior to the Second Court Date that the Share Scheme is in the best interest of Blackthorn Shareholders,

the Blackthorn directors maintain the recommendation referred to in clause 6(a) until the Implementation Date;

- (c) **(Independent Expert's Report)** commission the preparation of the Independent Expert's Report and provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report;
- (d) **(Intrepid Independent Expert's Report)** provide all assistance and information reasonably requested by the Intrepid Independent Expert in connection with the preparation of any Intrepid Independent Expert's Report commissioned by Intrepid;
- (e) **(prepare Scheme Booklet)** prepare the Share Scheme Booklet in accordance with the principles in clause 8, subject to Intrepid complying with its obligations under clauses 7(h) and 7(j) below in respect of the Intrepid Material;
- (f) **(continuing obligation of disclosure)** subject to any order of the Court and applicable law, ensure that the Share Scheme Booklet (but in respect of the Intrepid Material, subject to Intrepid complying with its obligations under clauses 7(h) and 7(j) below) is updated by all such further or new information which may arise after the Share Scheme Booklet has been dispatched until the Share Scheme Meeting which is necessary to ensure that the Share Scheme Booklet is not



misleading or deceptive in any material respect (including because of any material omission) and otherwise complies with all applicable laws;

- (g) **(Intrepid Meeting Material):**
- (i) as expeditiously as practicable, give to Intrepid for inclusion in the Intrepid Meeting Material such information regarding Blackthorn which would be included in the Scheme Booklet and which is required to be included in the Intrepid Meeting Material (**Blackthorn Provided Material**). The Blackthorn Provided Material must be provided to Intrepid in a form appropriate for inclusion in the Intrepid Meeting Material (to the extent that Blackthorn reasonably can and except where the form appropriate for inclusion in the Intrepid Meeting Material is more onerous than required of Blackthorn to provide for the Scheme Booklet) and with reasonable time to allow Intrepid to prepare the Intrepid Meeting Material in accordance with this document; and
  - (ii) take all reasonable steps to ensure and confirm in writing to Intrepid before the time the Intrepid Meeting Material is dispatched to Intrepid Shareholders that the Blackthorn Provided Material is accurate and not misleading or deceptive in any material respect (including because of any material omission);
- (h) **(further information)** inform Intrepid in writing as expeditiously as practicable if it becomes aware that the Blackthorn Provided Material (or any part of it) is or has become inaccurate or misleading or deceptive in any material respect (including because of any material omission) and provide Intrepid with updated information that is accurate and not misleading or deceptive in any material respect (including because of any material omission);
- (i) **(Court documents)** prepare all documents necessary for the Court proceedings relating to the Share Scheme in accordance with all applicable laws;
- (j) **(consult with Intrepid)** in a timely manner consult with Intrepid as to the form and content of all documents required for the purposes of the Share Scheme, including:
- (i) the Share Scheme Booklet, including taking into account Intrepid's reasonable comments received in a timely manner and incorporating the Intrepid Material. Intrepid acknowledges and agrees that Blackthorn has ultimate discretion with respect to the preparation, form and content of the Share Scheme Booklet, other than as expressly provided in this document with respect to the Intrepid Material; and
  - (ii) the Court proceedings relating to the Share Scheme, including taking into account Intrepid's reasonable comments received in a timely manner in relation to the documents required for the Court proceedings;
- (k) **(lodgement of ASIC Review Draft)** as soon as practicable after the preparation of an advanced draft of the Share Scheme Booklet suitable for review by ASIC, subject to Intrepid complying with its obligations under clauses 7(h) and 7(j) , procure that:
- (i) a meeting of the Blackthorn Board, or of a committee of the Blackthorn Board appointed for the purpose, is held to consider approving that draft as being in a form appropriate for provision to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act; and

- (ii) provide such advanced draft of the Share Scheme Booklet to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act;
- (l) **(approval of Share Scheme Booklet)** as soon as practicable after the conclusion of the review by ASIC of the Share Scheme Booklet, procure that a meeting of the Blackthorn Board (or a subcommittee of it) is convened to consider approving the Share Scheme Booklet (except those sections of the Share Scheme Booklet that relate to Intrepid and the Independent Expert's Report) as being in a form appropriate for dispatch to the Blackthorn Shareholders, subject to approval of the Court;
- (m) **(apply to Court for order to convene Meeting)** apply to the Court under section 411(1) of the Corporations Act for an order directing Blackthorn to convene the Share Scheme Meeting;
- (n) **(convene Meeting)** convene the Share Scheme Meeting in accordance with any order made by the Court under section 411(1) of the Corporations Act;
- (o) **(registration of Scheme Booklet)** take all reasonable measures necessary for the registration of the Share Scheme Booklet under section 412 of the Corporations Act;
- (p) **(dispatch of Scheme Booklet)** as expeditiously as practicable following an order made by the Court under section 411(1) of the Corporations Act, dispatch a copy of the Share Scheme Booklet to each Blackthorn Shareholder and to all other persons entitled to receive notice of the Share Scheme Meeting;
- (q) **(inform shareholders)** if it becomes aware of information after the date of dispatch of the Share Scheme Booklet which is material for disclosure to Blackthorn Shareholders in deciding whether to approve the Share Scheme, subject to applicable laws and any order of the Court, inform shareholders of such information in an appropriate and timely manner;
- (r) **(proxy information)** upon request of Intrepid made before the commencement of the Share Scheme Meeting, inform Intrepid of the total number of proxy votes in respect of which the appointment for the Share Scheme Meeting specified that:
  - (i) the proxy is to vote in favour of the Scheme Resolution;
  - (ii) the proxy is to vote against the Scheme Resolution;
  - (iii) the proxy is to abstain on the Scheme Resolution; and
  - (iv) the proxy may vote at the proxy's discretion;
- (s) **(section 411(17)(b) statement)** if Blackthorn Shareholder Approval is obtained, apply to ASIC for the production of a statement under section 411(17)(b) of the Corporations Act in relation to the Share Scheme;
- (t) **(Court approval)** subject to satisfaction or waiver of all Conditions other than the Conditions in clause 3.2(e) and 3.2(f), apply to the Court for orders approving the Share Scheme under section 411(4) of the Corporations Act;
- (u) **(no Blackthorn Prescribed Event)** not take or fail to take any action that constitutes a Blackthorn Prescribed Event or that could reasonably be expected to result in a Blackthorn Prescribed Event occurring during the period commencing on the date of this document and ending at 8.00 am on the Second Court Date and, if a Blackthorn Prescribed Event occurs, immediately inform Intrepid;

- (v) (**certificate**) before commencement of the hearing by the Court of the application for the order under section 411(4)(b) of the Corporations Act, give:
  - (i) to Intrepid a certificate signed by Blackthorn stating whether or not each representation or warranty given by Blackthorn is true and correct as at the time it is given or made under clause 18 below; and
  - (ii) to Intrepid and the Court the certificate referred to in clause 3.6 above;
- (w) (**not act inconsistently**) subject to clause 14.6, not act in a manner inconsistent with obtaining Court approval for the Share Scheme and provided that nothing in this paragraph prevents any action by or on behalf of Blackthorn or its directors if taking the action or failure to take the action would, in the reasonable opinion of the board of directors of Blackthorn, be likely to otherwise involve a breach of duties of the directors of Blackthorn;
- (x) (**lodge copy of order**) if the Court approves the Share Scheme under section 411(4) of the Corporations Act, lodge an office copy of the Court order with ASIC in accordance with section 411(10) of the Corporations Act no later than the first Business Day after the day on which the Court approves the Share Scheme;
- (y) (**Scheme Shareholders**) give to the share registry of Intrepid details of the names, registered addresses and holdings of Blackthorn Shares of every Blackthorn Shareholder as shown in the Register on the Record Date, in such form as Intrepid may reasonably require, and determine Blackthorn Shareholders' respective entitlements to the Share Scheme Consideration in accordance with the Share Scheme; and
- (z) (**register transfers**) if the Share Scheme is approved by the Court, register all transfers of Blackthorn Shares to Intrepid on the Implementation Date (subject to provision of the Share Scheme Consideration by Intrepid in accordance with the Share Scheme and Deed Poll).

## 7. INTREPID OBLIGATIONS

Intrepid must take all necessary steps to assist Blackthorn to propose and implement the Share Scheme as expeditiously as practicable and use all reasonable endeavours to do so in accordance with the Timetable, including taking each of the following steps:

- (a) (**Announcement**) on the date of this document make an Announcement, in a form agreed between Blackthorn and Intrepid which includes a statement (on the basis of written statements made to it by each of its directors) that each director of Intrepid, subject to no superior proposal emerging:
  - (i) unanimously recommends that Intrepid Shareholders vote in favour of both the acquisition by Intrepid of the Blackthorn Shares in accordance with the Share Scheme terms and the Intrepid Buy-Back; and
  - (ii) who holds Intrepid Shares intends to vote his or her Intrepid Shares in favour of the acquisition by Intrepid of the Blackthorn Shares in accordance with the Share Scheme terms and the Intrepid Buy-Back;
- (b) (**Intrepid directors' approval**) use reasonable endeavours to procure that, subject to:
  - (i) the proper performance by Intrepid directors of their fiduciary duties;
  - (ii) no superior proposal emerging; and

- (iii) the Intrepid Independent Expert's Report opining at all times up until the Intrepid Shareholder Meeting, that the Intrepid Buy-Back is either, fair and reasonable, or not fair but reasonable, to all Intrepid Shareholders,

the Intrepid directors maintain the recommendations referred to in clause 7(a) until the Implementation Date;

- (c) **(Intrepid Shareholder Approval)** convene the Intrepid Shareholders Meeting;
- (d) **(Independent Expert's Report)** provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report;
- (e) **(Intrepid Independent Expert's Report)** in respect of the Intrepid Independent Expert's Report commissioned by Intrepid, provide all reasonable assistance and information reasonably requested by the Intrepid Independent Expert to enable it to prepare such report;
- (f) **(prepare Intrepid Meeting Materials)** prepare the Intrepid Meeting Materials in accordance with the principles in clause 10, subject to Blackthorn complying with its obligations under clauses 6(g) and 6(h) in respect of the Blackthorn Provided Material;
- (g) **(continuing obligation of disclosure)** subject to any applicable law, ensure that the Share Intrepid Meeting Material (but in respect of the Blackthorn Provided Material, subject to Blackthorn complying with its obligations under clauses 6(g) and 6(h) is updated by all such further or new information which may arise after the Intrepid Meeting Material has been dispatched until the Intrepid Shareholders Meeting, which is necessary to ensure that the Intrepid Meeting Material is not misleading or deceptive in any material respect (including because of any material omission) and otherwise complies with all applicable laws;
- (h) **(Intrepid Material):**
  - (i) as expeditiously as practicable, give to Blackthorn for inclusion in the Share Scheme Booklet such information regarding Intrepid, all information regarding Intrepid and Intrepid's intentions with respect to the assets, business and employees of Blackthorn if the Scheme is approved and implemented and all other information as is required under all applicable laws, relevant ASIC regulatory guides, Takeovers Panel policy and guidance notes and the ASX Listing Rules to be included in the Share Scheme Booklet **(Intrepid Material)**. The Intrepid Material must be provided to Blackthorn in a form appropriate for inclusion in the Share Scheme Booklet and with reasonable time to allow Blackthorn to prepare the Share Scheme Booklet in accordance with this document; and
  - (ii) take all reasonable steps to ensure and confirm in writing to Blackthorn before the Share Scheme Booklet is dispatched to Blackthorn Shareholders that:
    - (A) the Intrepid Material is not misleading or deceptive in any material respect (including because of any material omission) and otherwise complies with all applicable laws, relevant ASIC regulatory guides, Takeovers Panel policy and guidance notes and the ASX Listing Rules; and
    - (B) the Share Scheme Booklet includes all information regarding Intrepid as is required under all applicable laws, relevant ASIC regulatory

guides, Takeovers Panel policy and guidance notes and the ASX Listing Rules;

- (i) **(consult with Blackthorn)** in a timely manner consult with Blackthorn as to the form and content of the Intrepid Meeting Material, including taking into account Blackthorn's reasonable comments received in a timely manner and incorporating the Blackthorn Provided Material.

Blackthorn acknowledges and agrees that Intrepid has ultimate discretion with respect to the preparation, form and content of the Intrepid Meeting Material, other than as expressly provided in this document with respect to the Blackthorn Provided Material;

- (j) **(further information):**
  - (i) inform Blackthorn in writing if it becomes aware that the Intrepid Material (or any part of it) is or has become misleading or deceptive in any material respect (including because of any material omission) or otherwise does not comply with all applicable laws, relevant ASIC regulatory guides, Takeovers Panel policy and guidance notes and the ASX Listing Rules; and
  - (ii) as expeditiously as practicable, give to Blackthorn any further information required before the Meeting Date to ensure that the Intrepid Material is not, having regard to applicable disclosure requirements, false, misleading or deceptive in any material respect (including because of any material omission) and does so comply with all applicable laws, relevant ASIC regulatory guides, Takeovers Panel policy and guidance notes and the ASX Listing Rules;
- (k) **(review of Share Scheme Booklet)** as soon as reasonably practicable after delivery, review the drafts of the Share Scheme Booklet prepared by Blackthorn and provide comments on those drafts in good faith;
- (l) **(approval of draft Share Scheme Booklet for ASIC review)** as soon as practicable after the preparation of an advanced draft of the Share Scheme Booklet suitable for review by ASIC, procure that a meeting of the Intrepid Board, or of a committee of the Intrepid Board appointed for the purpose, is held to consider approving those sections in such draft that comprise the Intrepid Material as being in a form appropriate for provision to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act;
- (m) **(approval of Share Scheme Booklet)** as soon as practicable after the conclusion of the review by ASIC of the Share Scheme Booklet, procure that a meeting of the Intrepid Board (or a subcommittee of it) is convened to consider approving those sections of the Share Scheme Booklet that relate to Intrepid as being in a form appropriate for dispatch to the Blackthorn Shareholders, subject to approval of the Court;
- (n) **(Deed Poll)** at least 7 Business Days before the dispatch of the Share Scheme Booklet, duly execute and enter into the Deed Poll;
- (o) **(no Intrepid Prescribed Event)** not take or fail to take any action that constitutes a Intrepid Prescribed Event or that could reasonably be expected to result in an Intrepid Prescribed Event occurring during the period commencing on the date of this document and ending at 8.00 am on the Second Court Date and if a Intrepid Prescribed Event occurs, immediately inform Blackthorn;
- (p) **(representation)** procure that it is represented (and will consider any reasonable request by Blackthorn to be represented by Counsel, but for the avoidance of doubt

will have full discretion as to whether it is represented by Counsel) at the Court hearings convened for the purposes of section 411(4)(b) of the Corporations Act, at which through its representative Intrepid will undertake (if requested by the Court) to do all such things and take all such reasonable steps within its power as are necessary in order to ensure the fulfilment of its obligations under this agreement and the Share Scheme;

- (q) **(certificates)** before commencement of the hearing by the Court of the application for the order under section 411(4)(b) of the Corporations Act, give:
  - (i) to Blackthorn a certificate signed by Intrepid stating whether or not each representation or warranty given by Intrepid is true and correct as at the time it is given or made under clause 18 below; and
  - (ii) to Blackthorn and the Court the certificate referred to in clause 3.6 above;
- (r) **(proxy information)** upon request of Blackthorn made before the commencement of the Intrepid Shareholders Meeting, inform Blackthorn of the total number of proxy votes in respect of which the appointment for the Intrepid Shareholder Meeting specified that:
  - (i) the proxy is to vote in favour of the Scheme Resolution;
  - (ii) the proxy is to vote against the Scheme Resolution;
  - (iii) the proxy is to abstain on the Scheme Resolution;
  - (iv) the proxy is to vote in favour of the Intrepid Buy Back;
  - (v) the proxy is to vote against the Intrepid Buy Back;
  - (vi) the proxy is to abstain on the Intrepid Buy Back;
  - (vii) the proxy is to vote in favour of the Alternative Resolution;
  - (viii) the proxy is to vote against the Alternative Resolution;
  - (ix) the proxy is to abstain on the Alternative Resolution; and
  - (x) the proxy may vote at the proxy's discretion.
- (s) **(not act inconsistently)** not act in a manner inconsistent with obtaining Court approval for the Share Scheme (provided that nothing in this paragraph prevents any action by or on behalf of Intrepid or its directors if taking the action or failure to take the action would, in the reasonable opinion of the board of directors of Intrepid, be likely to involve a breach of duties of the directors of Intrepid);
- (t) **(New Intrepid Shares)** apply for the New Intrepid Shares to be approved for official quotation on ASX subject to the Share Scheme becoming Effective and do everything reasonably necessary to obtain ASX's approval for official quotation by 8.00 am on the Second Court Date and that trading in the New Intrepid Shares commences by the first Business Day after the Implementation Date;
- (u) **(Share transfer)** if the Share Scheme becomes Effective, Intrepid shall accept a transfer of the Blackthorn Shares as contemplated by this document;
- (v) **(Share Scheme Consideration)** if Implementation occurs, provide the Share Scheme Consideration as contemplated by the Share Scheme and in accordance with the Deed Poll on the Implementation Date; and

- (w) **(Scheme)** do all things within its power that are reasonably necessary to lawfully give effect to the Share Scheme and the orders of the Court approving the Share Scheme.

#### **8. SHARE SCHEME BOOKLET PREPARATION PRINCIPLES**

- (a) As soon as reasonably practicable after the date of this document and substantially in accordance with the Timetable, Blackthorn must prepare the Share Scheme Booklet in compliance with:
  - (i) all applicable laws, in particular with the Corporations Act, Regulatory Guide 60 and the Listing Rules; and
  - (ii) this clause 8.
- (b) The Share Scheme Booklet will include:
  - (i) the terms of the Share Scheme;
  - (ii) the notice of Share Scheme Meeting, and any other notice of meeting in respect of any resolution that is necessary, expedient or incidental to give effect to the Scheme, together with a proxy form for the Share Scheme Meeting and for any ancillary meeting;
  - (iii) the Blackthorn Material;
  - (iv) the Intrepid Material;
  - (v) a copy of this document (without the schedules or annexures);
  - (vi) a copy of the executed Deed Poll; and
  - (vii) a copy of the Independent's Expert Report.
- (c) Intrepid and Blackthorn each agree that the efficient preparation of the Share Scheme Booklet and the implementation of the Share Scheme are in the interests of Blackthorn Shareholders and Intrepid and Blackthorn agree that they will use all reasonable endeavours and utilise all necessary resources (including management resources and the resources of external advisers) to comply with their respective obligations under this clause 8 and to implement the Share Scheme as soon as reasonably practicable and substantially in accordance with the Timetable.

#### **9. POST-IMPLEMENTATION BOARD AND MANAGEMENT STRUCTURE**

On the Effective Date the parties must do all things necessary to reconstitute the Intrepid Board as follows:

- (a) three of the current directors of Intrepid will remain on the Intrepid Board, including Scott Lowe and one of which will be the Chairman; and
- (b) three additional directors nominated by Blackthorn will be appointed to the Intrepid Board, one of which will be the deputy chairman, and Blackthorn will nominate the Chief Executive Officer who will not be a director.

#### **10. INTREPID BUY-BACK AND INTREPID MEETING MATERIALS PREPARATION PRINCIPLES**

- (a) Blackthorn agrees that Intrepid will, substantially in accordance with the Timetable, provide Intrepid Shareholders with the opportunity to participate in an equal access

share buy-back in accordance with section 257B of the Corporations Act under which all Intrepid Shareholders (as at the relevant record date) will be sent an equal access share buy-back offer pursuant to which each Intrepid shareholder will be given the opportunity to elect that some or all of their Intrepid Shares are bought back by Intrepid for the amount of \$0.30 per Intrepid Share on the following terms:

- (i) the buy-back will be subject to a total monetary cap of \$110,000,000 as consideration for the buy-back and if acceptances are received by Intrepid Shareholders that would provide that the aggregate buy-back was over this amount, acceptances received by Intrepid Shareholders will be scaled back on a proportionate basis; and
- (ii) completion of the buy-back will be subject to:
  - (A) Intrepid Shareholders approving the buy-back by ordinary resolution in accordance with section 257C of the Corporations Act; and
  - (B) Implementation occurring,

(the **Intrepid Buy-Back**).

- (b) As soon as reasonably practicable after the date of this document and substantially in accordance with the Timetable, Intrepid must prepare the Intrepid Meeting Materials in compliance with:
  - (i) all applicable laws, in particular with the Corporations Act and the Listing Rules; and
  - (ii) this clause 10.
- (c) The Intrepid Meeting Materials will include:
  - (i) the terms of the Share Scheme, Intrepid Buy Back and if determined by Intrepid, the Alternative Resolution;
  - (ii) the notice of the Intrepid Shareholders Meeting which will set out, among other things, the terms of:
    - (A) the Intrepid Shareholder Approval resolutions (being Resolution 1 approving the acquisition by Intrepid of the Blackthorn Shares in accordance with the Share Scheme terms and Resolution 2 approving the Intrepid Buy-Back);
    - (B) if determined by Intrepid, the Alternative Resolution; and
    - (C) the Intrepid director's recommendations, in the form and manner described in clause 7(a) of this document;
    - (D) a proxy form for the Intrepid Shareholders Meeting and for any ancillary meeting where disclosure is made either in the notice of meeting or proxy form (or both) that the Chairman will vote undirected proxies in favour of the resolutions approving the Share Scheme and the Intrepid Buy Back;
  - (iii) the Blackthorn Provided Material; and
  - (iv) a copy of the Intrepid Independent's Expert Report.



- (d) Intrepid and Blackthorn each agree that the efficient preparation of the Intrepid Meeting Material is in the interests of Intrepid Shareholders and Blackthorn and Intrepid agree that they will use all reasonable endeavours and utilise all necessary resources (including management resources and the resources of external advisers) to comply with their respective obligations under this clause 10 to implement the Share Scheme (and in relation to Intrepid only, the Intrepid Buy Back) substantially in accordance with the Timetable.

## **11. PRE-IMPLEMENTATION OBLIGATIONS**

### **11.1 Conduct of the Blackthorn business**

During the period commencing on the date of this document and ending on the Implementation Date, Blackthorn must conduct (and must procure that each of its subsidiaries conducts) its businesses in the ordinary course, in substantially the same manner and at the same locations as conducted on the date of this document, and to the extent consistent, use reasonable efforts to:

- (a) preserve intact its business organisation;
- (b) keep available the services of its officers and employees;
- (c) preserve its relationship with customers, suppliers, licensors, licensees and others having business dealings with it;
- (d) take or fail to take any action that constitutes a Blackthorn Prescribed Event or that could reasonably be expected to result in such event occurring; and
- (e) maintain its business and assets, including maintaining at least its current level of insurance,

as in place on the date of this document.

### **11.2 Conduct of the Intrepid business**

During the period commencing on the date of this document and ending on the Implementation Date, Intrepid must conduct (and must procure that each of its operating subsidiaries conducts) its businesses in the ordinary course, in substantially the same manner and at the same locations as conducted on the date of this document, and to the extent consistent, use reasonable efforts to:

- (a) preserve intact its business organisation;
- (b) keep available the services of its officers and employees that relate to the ongoing business activities of the Intrepid Group as at the date of this document;
- (c) preserve its relationship with customers, suppliers, licensors, licensees and others having business dealings with it;
- (d) take or fail to take any action that constitutes a Intrepid Prescribed Event or that could reasonably be expected to result in such event occurring; and
- (e) maintain its assets, including maintaining at least its current level of insurance,

as in place on the date of this document.

### **11.3 Exception**

Clause 11.1 does not apply to anything:

- (a) which the party is required to do, permitted to do or is permitted not to do, under or in accordance with this document or the Share Scheme; or
- (b) in respect of which the other party consents (such consent not to be unreasonably withheld or delayed).

#### 11.4 **Access to information**

- (a) From the date of this document and up to and including the Implementation Date, subject to applicable laws each party must give (and must procure each of its subsidiaries gives) the other party reasonable access to its records (subject to any existing confidentiality obligations owed to third parties), premises and personnel and reasonably co-operate for the purpose of:
  - (i) understanding the financial and tax position of it and its subsidiaries including the cash flow and working capital position of each of them;
  - (ii) integrating the business of Blackthorn with the business of Intrepid;
  - (iii) understanding the operations of the business of it and its subsidiaries;
  - (iv) Implementation; and
  - (v) any other purpose which is agreed in writing between the parties.
- (b) Nothing in clause 11.4(a) requires a party or any of its subsidiaries to provide information to the other party concerning consideration of the Share Scheme by directors and management of it or any of its subsidiaries.

#### 11.5 **Information on representations and warranties**

From the date of this document and up to and including the Implementation Date each party must promptly give, and must procure that each of its subsidiaries promptly gives, to the other party details of any matter or occurrence which might reasonably make any representations or warranties given under this document by the first-mentioned party inaccurate in a material respect.

#### 11.6 **Information provided subject to confidentiality obligation**

All information provided under or in connection with this document is subject to the terms of the Confidentiality Deeds which continue to have full force and effect subject to this document.

### 12. **ANNOUNCEMENT**

#### 12.1 **No Announcement**

Neither party may make an Announcement relating to the subject matter of this document or its termination or make public this document (or any of its terms) unless the Announcement or publication:

- (a) is required by this document;
- (b) has the prior approval of the other party; or
- (c) is required to be made by any applicable law, the ASX Listing Rules or the requirements of the Ontario Securities Commission.

## 12.2 **Notice of Announcement**

If a party is required to make an Announcement under clause 12.1(c), it must, to the extent practicable without that party breaching any applicable law, give to the other party:

- (a) such notice as is reasonable in the circumstances of its intention to make the Announcement; and
- (b) a draft of the Announcement and an opportunity, to the extent practicable in the circumstances, to comment on the contents of the draft Announcement.

## 13. **STANDSTILL**

### 13.1 **Restriction on Intrepid**

Subject to clause 13.2, during the Exclusivity Period, Intrepid must not, and must make sure that members of the Intrepid Group do not, and must use reasonable endeavours to ensure its associates do not:

- (a) acquire or offer to acquire, any securities or property or any right or option to acquire any Blackthorn Shares or other securities in Blackthorn unless it has received the prior written consent of Blackthorn;
- (b) enter into any arrangements involving the conferring of rights the economic effect of which is equivalent, or substantially equivalent, to acquiring, holding or disposing of securities in Blackthorn; or
- (c) solicit proxies from Blackthorn Shareholders or otherwise seek to influence or control the management or policies of Blackthorn.

### 13.2 **Exceptions**

- (a) Clause 13.1 does not apply to any action required to be taken by Intrepid, members of the Intrepid Group or any other person under the Share Scheme.
- (b) Clause 13.1 ceases to apply if a Blackthorn Competing Proposal is announced by a person other than Intrepid or a member of the Intrepid Group.

### 13.3 **Restrictions on Blackthorn**

Subject to clause 13.4, during the Exclusivity Period, Blackthorn must not, and must make sure that members of the Blackthorn Group do not, and must use reasonable endeavours to ensure its associates do not:

- (a) acquire or offer to, acquire any securities or property or any right or option to acquire any Intrepid Shares or other securities in Intrepid unless it has received the prior written consent of Intrepid;
- (b) enter into any arrangements involving the conferring of rights the economic effect of which is equivalent, or substantially equivalent, to acquiring, holding or disposing of securities in Intrepid; or
- (c) solicit proxies from Intrepid Shareholders or otherwise seek to influence or control the management or policies of Intrepid.

#### 13.4 **Exceptions**

- (a) Clause 13.3 does not apply to any action required to be taken by Blackthorn, members of the Blackthorn Group or any other person under the Share Scheme.
- (b) Clause 13.3 ceases to apply if a Intrepid Competing Proposal is announced by a person other than Blackthorn or a member of the Blackthorn Group.

#### 14. **BLACKTHORN EXCLUSIVITY**

##### 14.1 **Cease existing discussions and negotiations**

- (a) Blackthorn represents and warrants to Intrepid that immediately following the execution of this document it will:
  - (i) unconditionally cease and terminate any discussions or negotiations with all third parties relating to any Blackthorn Competing Proposal that have been conducted prior to the date of this document; and
  - (ii) notify all persons (other than Intrepid) to whom it has provided non-public information between the period commencing on 1 May 2014 and the date of this document in connection with a Blackthorn Competing Proposal to keep confidential any information about Blackthorn provided to it in connection with such Blackthorn Competing Proposal in accordance with the terms of any confidential agreement between Blackthorn and such persons.
- (b) Blackthorn must, by no later than two Business Days after this document is executed, notify Intrepid in writing that the notifications required to be given under clause 14.1(a)(ii) have been given.

##### 14.2 **No shop**

- (a) During the Exclusivity Period, Blackthorn must not and must ensure that its Representatives do not directly or indirectly solicit, initiate, invite or encourage any inquiries, proposals, discussions or negotiations, or communicate any intention to do any of these things, regarding any Blackthorn Competing Proposal.
- (b) Nothing in clause 14.2(a) prevents Blackthorn from continuing to make presentations to, and respond to enquiries from brokers, portfolio investors, analysts, shareholders and media in the ordinary course in relation to the Share Scheme or its business generally provided those communications do not concern or relate to a Blackthorn Competing Proposal.

##### 14.3 **No talk**

Subject to clause 14.6, during the Exclusivity Period, Blackthorn must not and must ensure that its Representatives do not directly or indirectly participate in any discussions or negotiations with any person regarding, or that could reasonably be expected to lead to, a Blackthorn Competing Proposal, even if:

- (a) those discussions or negotiations were not directly or indirectly encouraged, solicited, invited or initiated by Blackthorn; or
- (b) that person has publicly announced a Blackthorn Competing Proposal.

For the avoidance of doubt, this clause 14.3 does not apply to the normal provision of information to a Public Authority, auditors, advisers and financiers in the ordinary course of business or making presentations to brokers, portfolio investors and analysts in the ordinary course of business.

#### 14.4 **No due diligence**

- (a) Subject to clause 14.6, during the Exclusivity Period, Blackthorn must not and must ensure that its Representatives do not, make available to any other person or permit any other person to receive non-public information relating to Blackthorn, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Blackthorn Competing Proposal (**Blackthorn Diligence Information**).
- (b) Where, in reliance on clause 14.6, Blackthorn or any of its Representatives proposes to provide any Blackthorn Diligence Information to any third party in connection with or for the purposes of a current or future Blackthorn Competing Proposal, it must, to the extent that Intrepid has not previously been provided with the information, provide Intrepid with a complete copy of that information at the same time as it is provided to the third party.

#### 14.5 **Blackthorn to notify Intrepid**

- (a) During the Exclusivity Period, Blackthorn must immediately notify Intrepid in writing if it proposes, in circumstances permitted by clause 14.6, to take any action of a kind that is set out in clause 14.3 or 14.4.
- (b) During the Exclusivity Period, Blackthorn must promptly notify Intrepid in writing if in circumstances permitted by clause 14.6:
  - (i) Blackthorn enters into discussions or negotiations with a party that has proposed (or may reasonably be expected to propose) a Blackthorn Competing Proposal; or
  - (ii) Blackthorn makes available to any person, or permits any person to receive, any Blackthorn Diligence Information.

#### 14.6 **Fiduciary exception**

The restrictions in clauses 14.3 and 14.4 and the notification obligations in clause 14.5(b) do not apply to the extent that they restrict Blackthorn or the Blackthorn Board from taking or refusing to take any action with respect to a bona fide Blackthorn Competing Proposal (which was not encouraged, solicited, invited or initiated by Blackthorn or one of its Representatives in contravention of clause 14.2) provided that in the opinion of each Blackthorn Director, reasonably formed in good faith and for a proper purpose:

- (a) the Blackthorn Competing Proposal is bona fide and is made in writing by or on behalf of a person that the Blackthorn Board considers is of reputable commercial standing;
- (b) the Blackthorn Competing Proposal if substantially completed in accordance with its terms, would, or would reasonably be expected to lead to, a transaction which is more favourable to Blackthorn Shareholders than the Share Scheme, after taking into account all aspects of the Blackthorn Competing Proposal; and

taking or failing to take the action with respect to the Blackthorn Competing Proposal would, or would be likely to, involve a breach of the fiduciary or statutory duties of the directors of Blackthorn, in the opinion of the Blackthorn Board acting reasonably and after having taken written advice from Blackthorn's legal advisors to the effect that the Blackthorn Directors' fiduciary or statutory duties require them to take or not take the action proposed under this clause 14.6.

**14.7 Provision of information**

- (a) Without limiting Blackthorn's obligations under clause 14.5, if any Blackthorn Director proposes to (whether or not subject to conditions) change his or her recommendation of the Offer so that he or she can recommend a Blackthorn Competing Proposal, Blackthorn must give Intrepid written notice (**Relevant Notice**) of such proposed change of recommendation.
- (b) A Relevant Notice must include details of the basis on which the Blackthorn Director intends to change his or her recommendation.

**15. INTREPID EXCLUSIVITY**

**15.1 Cease existing discussions and negotiations**

- (a) Intrepid represents and warrants to Blackthorn that immediately following the execution of this document it will:
  - (i) unconditionally cease and terminate any discussions or negotiations with all third parties relating to any Intrepid Competing Proposal that have been conducted prior to the date of this document; and
  - (ii) notify all persons (other than Blackthorn) to whom it has provided non-public information between the period commencing on 1 May 2014 and the date of this document in connection with an Intrepid Competing Proposal to keep confidential any information about Intrepid provided to it in connection with such Intrepid Competing Proposal in accordance with the terms of any confidential agreement between Intrepid and such persons.
- (b) Intrepid must, by no later than two Business Days after this document is executed, notify Blackthorn in writing that the notifications required to be given under clause 15.1(a)(ii) have been given.

**15.2 No shop**

- (a) During the Exclusivity Period, Intrepid must not and must ensure that its Representatives do not directly or indirectly solicit, initiate, invite or encourage any inquiries, proposals, discussions or negotiations, or communicate any intention to do any of these things, regarding any Intrepid Competing Proposal.
- (b) Nothing in clause 15.2(a) prevents Intrepid from continuing to make presentations to, and respond to enquiries from brokers, portfolio investors, analysts, shareholders and media in the ordinary course in relation to the Share Scheme or its business generally provided those communications do not concern or relate to a Intrepid Competing Proposal.

**15.3 No talk**

Subject to clause 15.6, during the Exclusivity Period, Intrepid must not and must ensure that its Representatives do not directly or indirectly participate in any discussions or negotiations with any person regarding, or that could reasonably be expected to lead to, a Intrepid Competing Proposal, even if:

- (a) those discussions or negotiations were not directly or indirectly encouraged, solicited, invited or initiated by Intrepid; or
- (b) that person has publicly announced a Intrepid Competing Proposal.

For the avoidance of doubt, this clause 15.3 does not apply to the normal provision of information to a Public Authority, auditors, advisers and financiers in the ordinary course of business or making presentations to brokers, portfolio investors and analysts in the ordinary course of business.

#### 15.4 **No due diligence**

- (a) Subject to clause 15.6, during the Exclusivity Period, Intrepid must not and must ensure that its Representatives do not, make available to any other person or permit any other person to receive non-public information relating to Intrepid, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Intrepid Competing Proposal (**Intrepid Diligence Information**).
- (b) Where, in reliance on clause 15.6, Intrepid or any of its Representatives proposes to provide any Intrepid Diligence Information to any third party in connection with or for the purposes of a current or future Intrepid Competing Proposal, it must, to the extent that Blackthorn has not previously been provided with the information, provide Blackthorn with a complete copy of that information at the same time as it is provided to the third party.

#### 15.5 **Intrepid to notify Blackthorn**

- (a) During the Exclusivity Period, Intrepid must immediately notify Blackthorn in writing if it proposes, in circumstances permitted by clause 15.6, to take any action of a kind that is set out in clause 15.3 or 15.4.
- (b) During the Exclusivity Period, Intrepid must promptly notify Blackthorn in writing if in circumstances permitted by clause 15.6:
  - (i) Intrepid enters into discussions or negotiations with a party that has proposed (or may reasonably be expected to propose) a Intrepid Competing Proposal; or
  - (ii) Intrepid makes available to any person, or permits any person to receive, any Intrepid Diligence Information.

#### 15.6 **Fiduciary exception**

The restrictions in clauses 15.3 and 15.4 and the notification obligations in clause 15.5(b) do not apply to the extent that they restrict Intrepid or the Intrepid Board from taking or refusing to take any action with respect to a bona fide Intrepid Competing Proposal (which was not encouraged, solicited, invited or initiated by Intrepid or one of its Representatives in contravention of clause 15.2) provided that in the opinion of each Intrepid Director, reasonably formed in good faith and for a proper purpose:

- (a) the Intrepid Competing Proposal is bona fide and is made in writing by or on behalf of a person that the Intrepid Board considers is of reputable commercial standing;
- (b) the Intrepid Competing Proposal if substantially completed in accordance with its terms, would, or would reasonably be expected to lead to, a transaction which is more favourable to Intrepid Shareholders than the Share Scheme, after taking into account all aspects of the Intrepid Competing Proposal; and

taking or failing to take the action with respect to the Intrepid Competing Proposal would, or would be likely to, involve a breach of the fiduciary or statutory duties of the directors of Intrepid, in the opinion of the Intrepid Board acting reasonably and after having taken written advice from Intrepid's legal advisors to the effect that the Intrepid Directors'

fiduciary or statutory duties require them to take or not take the action proposed under this clause 15.6.

**15.7 Provision of information**

- (a) Without limiting Intrepid 's obligations under clause 15.5 if any Intrepid Director proposes to (whether or not subject to conditions) change his or her recommendation of the Offer so that he or she can recommend a Intrepid Competing Proposal Intrepid must give Blackthorn written notice (**Intrepid Relevant Notice**) of such proposed change of recommendation.
- (b) An Intrepid Relevant Notice must include details of the basis on which the Intrepid Director intends to change his or her recommendation.

**16. PAYMENT OF LIQUIDATED AMOUNT**

**16.1 Background**

- (a) Each of Blackthorn and Intrepid confirms its belief that the Share Scheme will provide significant benefits to it and its shareholders and acknowledges that each of them has and will incur significant costs in connection with performing its obligations under this document and the Share Scheme.
- (b) The parties agree that provisions be made in this document for the payments set out in clauses 16.2 in the absence of which it would not have entered into this document. The parties acknowledge that the amounts they have agreed to pay each other under this clause 16 is an amount which is appropriate to compensate them for their reasonable external and internal costs and opportunity costs in connection with the Share Scheme.

**16.2 Payment by Blackthorn to Intrepid**

Blackthorn undertakes to pay Intrepid \$580,000 (exclusive of GST) if:

- (a) between the date of this document and the End Date:
  - (i) Blackthorn accepts or enters into or offers to accept or enter into, any agreement, arrangement or understanding regarding a Blackthorn Competing Proposal or any other transaction that may reduce the likelihood of success of the Share Scheme;
  - (ii) any Blackthorn director does not recommend the Share Scheme or withdraws or adversely modifies an earlier recommendation or approves or recommends or makes an announcement in support of a Blackthorn Competing Proposal or any other transaction that may reduce the likelihood of success of the Share Scheme or announces an intention to do any of these acts, other than:
    - (A) in circumstances where Blackthorn is entitled to terminate this document under clause 17:
      - (aa) because any Condition set out in clauses 3.2(d), 3.2(g), 3.2(h) or in clauses 3.2(o) to 3.2(q) (inclusive) will not be fulfilled; or
      - (bb) because Intrepid is in material breach of this document and such breach is not remedied in accordance with the terms of this document; or



- (cc) because of the Effective Date not occurring by the End Date;  
or
- (B) because the Independent Expert's Report concludes or is modified to conclude that the Share Scheme is not in the best interest of Blackthorn Shareholders;
- (iii) a Blackthorn Competing Proposal is announced, made or becomes open for acceptance before the End Date and, whether before or after termination of this document or before or after the End Date but within 12 months after the End Date, under that Blackthorn Competing Proposal the relevant bidder:
  - (A) acquires a relevant interest in more than 50% of all Blackthorn Shares and that Blackthorn Competing Proposal is (or becomes) free from any defeating conditions;
  - (B) acquires all or a substantial part of the assets of Blackthorn or the Blackthorn Group;
  - (C) acquires control of Blackthorn, within the meaning of section 50AA of the Corporations Act; or
  - (D) otherwise acquires or merges with Blackthorn (including by way of reverse takeover bid, reverse scheme of arrangement of dual listed companies structure); or
- (b) Blackthorn is in material breach of any provision of this document and this document is terminated in accordance with clause 17.2(a).

### 16.3 Payment by Intrepid to Blackthorn

Intrepid undertakes to pay Blackthorn \$580,000 (exclusive of GST) if:

- (a) between the date of this document and the End Date:
  - (i) Intrepid accepts or enters into or offers to accept or enter into, any agreement, arrangement or understanding regarding a Intrepid Competing Proposal or any other transaction that may reduce the likelihood of success of the Share Scheme;
  - (ii) any Intrepid director does not recommend the Share Scheme or the Intrepid Buy-Back (for those Shareholders that desire to divest themselves of their Intrepid Shares) or withdraws or adversely modifies an earlier recommendation or approves or recommends or makes an announcement in support of a Intrepid Competing Proposal or any other transaction that may reduce the likelihood of success of the Share Scheme or the Scheme Capital Return or announces an intention to do any of these acts, other than:
    - (A) in circumstances where Intrepid is entitled to terminate this document under clause 17:
      - (aa) because any Condition set out in clauses 3.2(g), 3.2(h) or in clauses 3.2(l) to 3.2(n)(inclusive) will not be fulfilled; or
      - (bb) because Blackthorn is in material breach of this document and such breach is not remedied in accordance with the terms of this document; or

- (cc) because of the Effective Date not occurring by the End Date;  
or
- (B) because the Intrepid Independent Expert's Report concludes or is modified to conclude that the Intrepid Buy-Back is not fair and not reasonable to Intrepid Shareholders except where this arises due to the existence of an Intrepid Competing Proposal;
- (iii) a Intrepid Competing Proposal is announced, made or becomes open for acceptance before the End Date and, whether before or after termination of this document or before or after the End Date but within 12 months after the End Date, under that Intrepid Competing Proposal the relevant bidder:
  - (A) acquires a relevant interest in more than 50% of all Intrepid Shares and that Intrepid Competing Proposal is (or becomes) free from any defeating conditions;
  - (B) acquires all or a substantial part of the assets of Intrepid or the Intrepid Group;
  - (C) acquires control of Intrepid, within the meaning of section 50AA of the Corporations Act; or
  - (D) otherwise acquires or merges with Intrepid (including by way of reverse takeover bid, reverse scheme of arrangement of dual listed companies structure); or
- (iv) Intrepid is in material breach of any provision of this document and this document is terminated in accordance with clause 17.3(a).

**16.4 Demand for payment**

- (a) If an event referred to in clause 16.2 occurs, any demand for payment under clauses 16.2 and 16.3 must be in writing and Blackthorn or Intrepid (as applicable) must pay the amount referred to in either clause 16.2 or clause 16.3 to the other party within 10 Business Days of receipt of such demand.
- (b) The parties acknowledge and agrees that if an amount is paid to it under clause 16.2 or 16.3, that payment constitutes that party's sole and exclusive remedy in respect of the matter giving rise to the payment.

**16.5 Compliance with law**

If the Takeovers Panel or a court of competent jurisdiction determines that an amount paid or payable under clause 16.2 or 16.3 is an Impugned Amount and:

- (a) the period for lodging an application for review for a notice of appeal of that decision has expired without such application or notice having been lodged; or
- (b) an application for review or a notice of appeal has been lodged with the Takeovers Panel or a court within the prescribed period and the relevant review Panel or court also determines that the amount is an Impugned Amount,

then:

- (c) the undertaking under clause 16.2 or 16.3 does not apply to the extent of the Impugned Amount; and

- (d) if a party has been paid an Impugned Amount under this document, it must refund that Impugned Amount to the other party.

## **17. TERMINATION**

### **17.1 Termination for non-fulfilment of Condition**

- (a) If Intrepid and Blackthorn are unable to reach agreement under clause 3.7 above within five Business Days after both parties become aware that a Condition will not be fulfilled (or waived), any party for whose benefit the Condition is included (see clause 3.3 above) (whether solely or jointly with the other party) may terminate this document by notice in writing to the other party.
- (b) Without limiting clause 17.1(a), a party may terminate this document by giving notice in writing to the other party after the End Date, if the Effective Date does not occur on or before that date.

### **17.2 Intrepid's additional right to terminate**

Intrepid may terminate this document by giving notice in writing to Blackthorn before 8.00 am on the Second Court Date if:

- (a) Blackthorn is in breach of this document (including a breach of a representation or warranty under clause 18) and that breach is material and is not remedied by Blackthorn within five Business Days (or such shorter period ending on the Second Court Date) of it receiving notice from Intrepid of the details of the breach and its intention to terminate;
- (b) any of Blackthorn's directors adversely changes or withdraws his or her recommendation that the Share Scheme is in the best interests of Blackthorn Shareholders; or
- (c) Blackthorn or any of its directors acts in a manner which is inconsistent with obtaining approval for the Share Scheme (including by recommending a Competing Proposal in respect of Blackthorn).

### **17.3 Blackthorn's additional right to terminate**

Blackthorn may terminate this document by giving notice in writing to Intrepid if, before 8.00 am on the Second Court Date:

- (a) Intrepid is in breach of this document (including a breach of a representation or warranty under clause 18) and that breach is material and is not remedied by Intrepid within five Business Days (or such shorter period ending on the Second Court Date) of it receiving notice from Blackthorn of the details of the breach and its intention to terminate;
- (b) any of Intrepid's directors withdraws his or her support for the Share Scheme or the Intrepid Buy-Back; or
- (c) Intrepid or any of its directors acts in a manner which is inconsistent with obtaining approval for the Share Scheme or the Intrepid Buy-Back (including by recommending a Competing Proposal in respect of Intrepid).

### **17.4 Obligations on termination**

- (a) If a party terminates this document, all obligations of the parties under this document, other than this clause, clauses 12 (Announcements), 15 (Payment of Liquidated Amount), 18 (Representations and warranties), 19 (Indemnities), 20

(Release), 21 (GST), 22 (Notices), 23 (Amendment and Assignment) and 24 (General), immediately cease to be of further effect.

- (b) The termination of this document does not affect any Claim that a party may have against another party where that Claim arose before this document is terminated.

## 18. REPRESENTATIONS AND WARRANTIES

### 18.1 Mutual representations and warranties

Each party represents and warrants to the other party that:

- (a) **(status)** it is a company limited by shares under the Corporations Act;
- (b) **(power)** it has full legal capacity and power to:
- (i) own its property and to carry on its business; and
  - (ii) enter into this document and carry out the transactions that this document contemplates in accordance with its terms;
- (c) **(corporate authority)** it has taken all corporate action that is necessary or desirable to authorise it entering into this document and carrying out the transactions that this document contemplates in accordance with its terms;
- (d) **(Authorisations)** it holds each Authorisation that is necessary or desirable to:
- (i) enable it to properly execute this document and to carry out the transactions that this document contemplates in accordance with its terms;
  - (ii) ensure that this document is legal, valid, binding and admissible in evidence; and
  - (iii) enable it to properly carry on its business,
- and it is complying with any conditions to which any such Authorisation is subject;
- (e) **(document effective)** this document constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms;
- (f) **(no contravention)** neither its execution of this document nor the carrying out by it of the transactions that it contemplates in accordance with its terms, does or will contravene:
- (i) any law to which it or any of its property is subject or any order of any Government Agency that is binding on it or any of its property;
  - (ii) any Authorisation held by it;
  - (iii) any undertaking or instrument binding on it or any of its property; or
  - (iv) its constitution;
- (g) **(no Insolvency Event)** neither it nor any of its subsidiaries is affected by an Insolvency Event;
- (h) **(not representative capacity)** it is not entering into this document as trustee of any trust or settlement or otherwise in a representative capacity;

- (i) **(information provided to the Independent Expert)** all information provided by it to the Independent Expert will be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing the Independent Expert's Report for inclusion in the Share Scheme Booklet; and
- (j) **(information provided to the Intrepid Independent Expert)** all information provided by it to any Intrepid Independent Expert will be provided in good faith and on the understanding that the Intrepid Independent Expert will rely on that information for the purpose of preparing the Intrepid Independent Expert's Report.

## 18.2 **Blackthorn representations and warranties**

Blackthorn represents and warrants to Intrepid that:

- (a) **(Blackthorn Due Diligence Information not false or misleading)** to Blackthorn's knowledge, Blackthorn has not knowingly or recklessly:
  - (i) omitted to disclose information to Intrepid, the disclosure of which might reasonably be expected to have resulted in Intrepid not entering into this document, or entering into it on materially different terms;
  - (ii) omitted anything from the Blackthorn Due Diligence Information that would make any part of that information materially false or misleading;
  - (iii) included anything materially false or misleading in the Blackthorn Due Diligence Information; or
  - (iv) denied access to requested information with the intention of misleading Intrepid;
- (b) **(Scheme Booklet not false or misleading)** to Blackthorn's knowledge, as at the date of dispatch of the Share Scheme Booklet, the Share Scheme Booklet (other than the Intrepid Material and the Independent Expert's Report) will not contain any material statement which is false or misleading (including because of any material omission);
- (c) **(no false or misleading statement)** to Blackthorn's knowledge, as at the date of dispatch of the Intrepid Meeting Material, the Blackthorn Provided Material will not contain any material statement which is false or misleading (including because of any material omission);
- (d) **(continuous disclosure)** Blackthorn is not in breach of its continuous disclosure obligation under ASX Listing Rule 3.1 and, except for information contained in the Announcement to be made in accordance with clause 6(a) above, there is no information to which ASX Listing Rule 3.1 does not apply because of ASX Listing Rule 3.1A;
- (e) **(complied with applicable laws)** other than as fairly disclosed in the Blackthorn Disclosure Material, Blackthorn and its wholly owned subsidiaries have complied in all material respects with all applicable laws and the ASX Listing Rules;
- (f) **(no default)** other than as fairly disclosed in the Blackthorn Disclosure Material:
  - (i) neither Blackthorn nor any of its wholly owned subsidiaries is in default under any document or agreement binding on it or its assets; and

- (ii) nothing has occurred which is or would, with the giving of notice or lapse of time or both, constitute an event of default, prepayment event or similar event under any such document or agreement;
- (g) **(no litigation)** other than as fairly disclosed in the Blackthorn Disclosure Material no litigation, arbitration, mediation, conciliation or administrative proceedings are taking place, pending or to its knowledge, threatened which, if adversely decided, could reasonably be expected to have a Material Adverse Effect on Blackthorn;
- (h) **(schedule accurately details Blackthorn capital)** Part A of Schedule 2 accurately records the total number and details of Blackthorn Shares, securities convertible into Blackthorn Shares, Blackthorn Options, notes or other securities issued by Blackthorn as at the date of this document and Blackthorn is not under any actual or contingent obligation to issue, convert or cancel any securities other than as listed in Schedule 2; and
- (i) **(no other approvals necessary)** to Blackthorn's knowledge, no consents, approvals or other acts by a Government Agency are necessary to effect Implementation.

### 18.3 Intrepid representations and warranties

Intrepid represents and warrants to Blackthorn that:

- (a) **(Intrepid Due Diligence Information not false or misleading)** to Intrepid's knowledge, Intrepid has not knowingly or recklessly:
  - (i) omitted to disclose information to Blackthorn, the disclosure of which might reasonably be expected to have resulted in Blackthorn not entering into this document, or entering into it on materially different terms;
  - (ii) omitted anything from the Intrepid Due Diligence Information that would make any part of that information materially false or misleading;
  - (iii) included anything materially false or misleading in the Intrepid Due Diligence Information; or
  - (iv) denied access to requested information with the intention of misleading Blackthorn;
- (b) **(no false or misleading statement)** to Intrepid's knowledge, as at the date of dispatch of the Share Scheme Booklet, the Intrepid Material will not contain any material statement which is false or misleading (including because of any material omission);
- (c) **(complied with applicable laws)** other than as fairly disclosed in the Intrepid Disclosure Material, Intrepid and its wholly owned subsidiaries have complied with all applicable laws and the ASX Listing Rules;
- (d) **(material correspondence to be promptly disclosed)** without limiting clause 18.3(a), all material correspondence between Intrepid or any of its wholly owned subsidiaries and any Government Agency which is received following execution of this document until the Effective Date will be promptly disclosed in writing to Blackthorn;
- (e) **(no default)** other than as fairly disclosed in the Intrepid Disclosure Material:
  - (i) neither Intrepid nor any of its wholly owned subsidiaries is in default under any document or agreement binding on it or its assets; and

- (ii) nothing has occurred which is or would, with the giving of notice or lapse of time or both, constitute an event of default, prepayment event or similar event under any such document or agreement,

which individually or in aggregate could reasonably be expected to have a Material Adverse Effect on Intrepid;

- (f) **(no litigation)** no litigation, arbitration, mediation, conciliation or administrative proceedings are taking place, pending or to its knowledge, threatened which, if adversely decided, could reasonably be expected to have a Material Adverse Effect on Intrepid;
- (g) **(continuous disclosure)** Intrepid is not in breach of its continuous disclosure obligation under ASX Listing Rule 3.1 and, except for information contained in the Announcement to be made in accordance with clause 6(a) above, there is no information to which ASX Listing Rule 3.1 does not apply because of ASX Listing Rule 3.1A;
- (h) **(schedule accurately details Intrepid capital)** Part B of Schedule 2 accurately records the total number and details of Intrepid Shares, securities convertible into Intrepid Shares, Intrepid Options, notes or other securities issued by Intrepid at the date of this document;
- (i) **(New Intrepid Shares)** the New Intrepid Shares will, upon issue:
  - (i) be duly issued and fully paid;
  - (ii) be free from any Security Interest or other encumbrance, other than as provided for in the constitution of Intrepid; and
  - (iii) rank equally in all respects, including for future dividends, with all existing Intrepid Shares; and
- (j) **(no other approvals necessary)** to Intrepid's knowledge, no consents, approvals or other acts by a Government Agency are necessary to effect Implementation other than those identified in the definition of Regulatory Approvals in clause 1.1.

#### 18.4 **No representations made on economic or future matters**

Each party acknowledges and agrees that the other party makes no representation or warranty other than as set out in this clause 18 and, in particular, at no time has the other party made or given any representation or warranty in relation to the achievability of:

- (a) any economic, fiscal or other interpretations or evaluations by it; or
- (b) future matters, including future or forecast costs, prices, revenues or profits.

#### 18.5 **Reliance on representations and warranties**

Each party acknowledges that the other party has executed this document and agreed to take part in the transactions that this document contemplates in reliance on the representations and warranties that are made in clauses 18.1, 18.2 and 18.3.

#### 18.6 **When warranties are given**

Each representation and warranty given or made under clauses 18.1, 18.2 and 18.3 is given:

- (a) as at the date of this document;
- (b) as at 8.00 am on the Second Court Date;
- (c) in the case of representations and warranties in clauses 18.2(a) and 18.3(a), when the Intrepid and Blackthorn Due Diligence Information is provided by the relevant party to the other; and
- (d) at any other date at which the representation or warranty is expressed to be given under this document.

## 19. **INDEMNITIES**

### 19.1 **Indemnities by Blackthorn**

Blackthorn indemnifies Intrepid and members of the Intrepid Group and their respective directors, officers and employees against, and must pay on demand, any Loss, Claim or damage (including any right to common law damage) arising from or incurred in connection with a breach of the representation and warranty in clause 18.2(b) to the fullest extent permitted by law.

### 19.2 **Indemnities by Intrepid**

Intrepid indemnifies Blackthorn and members of the Blackthorn Group and their respective directors, officers and employees against, and must pay on demand, any Loss, Claim or damage (including any right to common law damage) arising from or incurred in connection with a breach of the representation and warranty in clause 18.3(b) to the fullest extent permitted by law.

## 20. **RELEASE**

Each party agrees with each other, and declares and covenants in favour of each party's officers and employees, as follows:

- (a) subject to applicable law (including section 199A of the Corporations Act) and clause 20(b), no officer or employee of a party, is liable for anything done or purported to be done in connection with Implementation;
- (b) clause 20(a) does not exclude an officer or employee from any liability which may arise from wilful misconduct or a grossly negligent act or omission on the part of the person; and
- (c) this clause 20 operates as a deed poll in favour of and for the benefit of each officer and each employee of each party and may be relied on and enforced by each such officer and employee in accordance with its terms even though the officer or employee is not named as a party to this document.

## 21. **GST**

### 21.1 **GST pass on**

If GST is or will be imposed on a supply made under or in connection with this document, to the extent that the consideration otherwise provided for that supply under this document is not stated to include an amount for GST on the supply:

- (a) the consideration otherwise provided for that supply under this document is increased by the amount of that GST; and



- (b) the recipient must make payment of the increase as and when the consideration otherwise provided for, or relevant part of it, must be paid or provided or, if the consideration has already been paid or provided, within seven days of receiving a written demand from the supplier.

#### 21.2 **Tax Invoice**

The right of the supplier to recover any amount in respect of GST under this document on a supply from the recipient is subject to the issuing of the relevant tax invoice or adjustment note.

#### 21.3 **Consideration exclusive of GST**

Any consideration otherwise provided for a supply or payment obligation in connection with this document is exclusive of GST unless stated otherwise.

#### 21.4 **Adjustments**

If there is an adjustment event in relation to a supply which results in the amount of GST on a supply being different from the amount in respect of GST already recovered by the supplier, as appropriate, the supplier within 14 days of becoming aware of the adjustment event:

- (a) may recover from the recipient the amount by which the amount of GST on the supply exceeds the amount already recovered by giving seven days written notice; or
- (b) must refund to the recipient the amount by which the amount already recovered exceeds the amount of GST on the supply to the extent that the supplier is entitled to a refund or credit from the Commissioner of Taxation; and
- (c) must issue an adjustment note or tax invoice reflecting the adjustment event in relation to the supply to the recipient within 28 days of the adjustment event.

#### 21.5 **Reimbursements**

Costs actually or estimated to be incurred or revenue actually or estimated to be lost by a party that is required to be reimbursed or indemnified by another party, or used as the basis for calculation of consideration for a supply, under this document must exclude the amount of GST referable to the cost to the extent to which an entitlement arises or would arise to claim an input tax credit and any amount in respect of GST referable to the revenue.

### 22. **NOTICES**

#### 22.1 **How to give a notice**

A notice, consent or other communication under this document is only effective if it is:

- (a) in writing, signed by or on behalf of the person giving it;
- (b) addressed to the person to whom it is to be given; and
- (c) either:
  - (i) delivered or sent by pre-paid mail (by airmail, if the addressee is overseas) to that person's address; or

- (ii) sent by fax to that person's fax number and the machine from which it is sent produces a report that states that it was sent in full; or
- (iii) sent by email to that person's email address.

## 22.2 When a notice is given

A notice, consent or other communication that complies with this clause is regarded as given and received:

- (a) if it is delivered or sent by fax:
  - (i) by 5.00 pm (local time in the place of receipt) on a Business Day – on that day; or
  - (ii) after 5.00 pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day – on the next Business Day;
- (b) if it is sent by mail:
  - (i) within Australia – three Business Days after posting; or
  - (ii) to or from a place outside Australia – seven Business Days after posting; and
- (c) if it is sent by email, on the earlier of:
  - (i) when the sender receives an automated message confirming delivery; or
  - (ii) four hours after the time sent (as recorded in the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered.

## 22.3 Address for notices

A person's address and fax number are those set out below, or as the person notifies the sender:

### **Blackthorn**

Address: Level 5, Suite 502,  
80 William Street  
Sydney, New South Wales 2011  
Fax number: +61 2 9332 1336  
Email: c.brown@blackthornresources.com.au  
Attention: Chris Brown, Company Secretary

### **Intrepid**

Address: Level 1, 490 Upper Edward Street  
Spring Hill, Queensland 4000  
Fax number: +61 7 3007 8080  
Email: vchidrawi@intrepidmines.com  
Attention: General Counsel

**23. AMENDMENT AND ASSIGNMENT**

**23.1 Amendment**

This document can only be amended or replaced by another document executed by the parties.

**23.2 Assignment**

A party may only assign, encumber, declare a trust over or otherwise deal with its rights under this document with the prior consent of each other party.

**24. GENERAL**

**24.1 Governing law**

- (a) This document is governed by the law in force in Queensland.
- (b) Each party submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Queensland, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waives any right it might have to claim that those courts are an inconvenient forum.

**24.2 Liability for expenses**

- (a) Intrepid must pay for all stamp duty payable on this document or any instrument or transaction contemplated in or necessary to give effect to this document.
- (b) Subject to clause 24.2(a), each party must pay its own expenses incurred in negotiating, preparing, executing and registering this document.

**24.3 Giving effect to this document**

Each party must do anything within its power (including execute any document) that the other party may reasonably require to give full effect to this document.

**24.4 Waiver of rights**

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

**24.5 No partnership or agency**

Nothing in this document is to be treated as creating a partnership and, except as specifically provided in this document, no party may act as agent of or in any way bind another party to any obligation.

**24.6 Operation of this document**

- (a) Subject to clause 11.6:

- (i) this document contains the entire agreement between the parties about its subject matter;
  - (ii) any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document.
- (b) Any right that a person may have under this document is in addition to, and does not replace or limit, any other right that the person may have.
- (c) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

**24.7 Operation of indemnities**

- (a) Each indemnity in this document survives the expiry or termination of this document.
- (b) A party may recover a payment under an indemnity in this document before it makes the payment in respect of which the indemnity is given.

**24.8 Consents**

Where this document contemplates that a party may agree or consent to something (however it is described), unless this document expressly contemplates otherwise, the party may:

- (a) agree or consent, or not agree or consent, in its sole and absolute discretion; and
- (b) agree or consent subject to conditions.

**24.9 No merger**

No provisions of this document merge on Implementation.

**24.10 Inconsistency with other documents**

If this document is inconsistent with any other document or agreement between the parties, this document prevails to the extent of the inconsistency.

**24.11 Counterparts**

- (a) This document may be executed in counterparts.
- (b) If this document is executed in counterparts, it is not binding until all executed counterparts have been exchanged.
- (c) Executed counterparts may be exchanged by email or fax. While not effecting the validity of exchange, if executed counterparts are exchanged by email or fax, original executed counterparts must be exchanged as soon as practicable after the time of exchange.

**SCHEDULE 1**

**Timetable**

<b>Step</b>	<b>Date</b>	<b>Action</b>
1.	Thursday 28 August 2014	Sign Scheme Implementation Deed and announce transaction
2.	Friday 26 September 2014	Provide ASIC and ASX with draft Intrepid Meeting Material
3.	Monday 29 September 2014	Provide ASIC, ASX and the Court with draft Scheme Booklet and provide notice of First Court Hearing to ASIC
4.	Tuesday 7 October 2014	Announcement of Intrepid Buy-Back and lodgement of Appendix 3C
5.	Wednesday 8 October 2014	Intrepid Shares quoted ex-entitlement to Intrepid Buy-Back
6.	Monday 13 October 2014 <i>(at least 14 days after Step 3)</i>	<b>First Court Date</b> to convene Share Scheme Meeting and approve Scheme Booklet for dispatch
7.	Tuesday 14 October 2014	Record date for Intrepid Buy-Back
8.	Tuesday 14 October 2014	Scheme Booklet registered by ASIC and lodged with ASX
9.	Thursday 16 October 2014	Dispatch Intrepid Meeting Material
10.	Friday 17 October 2014	Dispatch Intrepid Buy-Back offer documents
11.	Tuesday 21 October 2014	Dispatch notice of Share Scheme Meeting and Scheme Booklet to Blackthorn Shareholders
12.	Tuesday 11 November 2014	Close of Intrepid Buy-Back offer period
13.	Tuesday 18 November 2014	Hold Intrepid Shareholder Meeting and announce results to ASX
14.	Friday 21 November 2014	Hold <b>Share Scheme Meeting</b> and announce results to ASX
15.	Wednesday 26 November 2014	<b>Second Court Date</b> and announce to ASX intention to lodge Court order on the next Business Day
16.	Thursday 27 November 2014	<b>Effective Date</b> File Court order approving the Share Scheme with ASIC and announce to ASX
17.	Thursday 27 November	Blackthorn securities cease trading at close of trading

Step	Date	Action
	2014	on ASX
18.	Thursday 4 December 2014 <i>(5th Business Day after the Effective Date)</i>	<b>Record Date</b> for entitlements to Share Scheme Consideration
19.	Thursday 11 December 2014	<b>Implementation Date</b> Intrepid issues Share Scheme Consideration
20.	Thursday 11 December 2014	Expected date of dispatch of holding statements for New Intrepid Shares
21.	Thursday 11 December 2014	Expected date of dispatch of Intrepid Buy-Back consideration and cancellation of Intrepid Shares bought-back
22.	Friday 12 December 2014	Commencement of normal settlement trading of New Intrepid Shares

## SCHEDULE 2

### Capital

#### Part A - Blackthorn's Capital

1. **BLACKTHORN SHARES**

Blackthorn has 164,285,950 fully paid ordinary shares on issue.

2. **BLACKTHORN OPTIONS**

Blackthorn has on issue a total of 2,810,000 options to subscribe for fully paid shares issued on the following key terms:

Number	Expiry Date	Exercise Price
150,000	27 June 2015	\$1.63
2,660,000	31 May 2017	\$0.25

#### Part B - Intrepid's Capital

3. **INTREPID SHARES**

Intrepid has 557,500,888 fully paid ordinary shares on issue.

4. **INTREPID OPTIONS**

Intrepid has on issue a total of 2,201,357 options to subscribe for fully paid shares issued on the following key terms:

Number	Expiry Date	Exercise Price
24,258	31 January 2015	\$0.4536
715,569	30 April 2015	\$0.2938
155,789	31 May 2012	\$1.181
187,797	17 July 2016	\$1.72
494,203	1 January 2017	\$1.181
623,741	31 May 2017	\$0.5565

5. **INTREPID SHARES RIGHTS**

Intrepid has on issue 652, 871 share rights that vest into fully paid ordinary shares subject to vesting conditions.

**SCHEDULE 3**

**Scheme of Arrangement (Share Scheme)**



**SCHEDULE 4**

**Deed Poll**

**SCHEDULE 5**

**Option Consideration**

<b>Option series</b>	<b>Total Number of Intrepid Shares to be offered to the relevant Blackthorn Option Holder</b>
Holder of 75,000 Blackthorn Options with an exercise price of \$1.63 expiring on 27 June 2015	545 Intrepid Shares

<b>Option series</b>	<b>Number of Intrepid Shares to be offered for each Blackthorn Option</b>
Blackthorn Options with an exercise price of \$0.25 expiring on 31 May 2017	0.4720 Intrepid Share per Blackthorn Option


**EXECUTED** as a deed.

**EXECUTED** by **BLACKTHORN RESOURCES LIMITED ACN 009 193 980:**



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Signature of director



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Name



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Signature of ~~director~~ secretary



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Name

**EXECUTED** by **INTREPID MINES LIMITED ACN 060 156 452:**



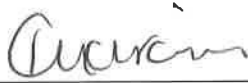
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Signature of director



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Name



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Signature of ~~director~~ secretary



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Name