

PELTON LEGAL

By ASX Online

The Manager
Market Announcements Office
ASX Limited
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Australia

5 February 2025

Dear Colleagues,

Off-Market Takeover Offer by FMG (ASX: FMG) for Red Hawk (ASX: RHK) Supplementary Target's Statement

We represent Red Hawk Mining Limited (ACN 091 118 044) (ASX: RHK) (**Red Hawk**) in relation to an off-market takeover offer by FMG Pilbara Pty Ltd (ACN 106 943 828), a wholly owned subsidiary of Fortescue Ltd (ACN 002 594 872) (ASX: FMG) (**FMG**) made pursuant to Chapter 6 of the *Corporations Act 2001* (Cth) (**Corporations Act**) for all the shares in Red Hawk (**Takeover Offer**).

In accordance with section 647(3)(b) of the Corporations Act, we enclose a copy of Red Hawk's supplementary target's statement dated 5 February 2025 (**Supplementary Target's Statement**) which supplements and is to be read together with Red Hawk's target's statement dated 28 January 2025 (**Original Target's Statement**).

Red Hawk confirms it has sent the Supplementary Target's Statement to FMG.

Red Hawk confirms it has lodged the Supplementary Target's Statement with the Australian Securities and Investments Commission.

Yours faithfully,

Shaun McRobert

Managing Director
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SUPPLEMENTARY TARGET'S STATEMENT

This Supplementary Target's Statement has been issued by Red Hawk Mining Limited (ACN 091 118 044) (**Red Hawk**) in response to the takeover bid made by FMG Pilbara Pty Ltd (ACN 106 943 828) (**FMG** or the **Bidder**), a wholly-owned subsidiary of Fortescue Ltd (ACN 002 594 872) (**Fortescue**) on Tuesday, 28 January 2025.

YOUR DIRECTORS RECOMMEND THAT YOU

ACCEPT THE OFFER

IN THE ABSENCE OF A SUPERIOR PROPOSAL AND SUBJECT TO THE INDEPENDENT EXPERT CONTINUING TO CONCLUDE THAT THE OFFER IS FAIR AND REASONABLE, OR NOT FAIR BUT REASONABLE, TO RED HAWK SHAREHOLDERS.

This is an important document and requires your immediate attention. This supplementary target's statement supplements Red Hawk's Target's Statement dated 28 January 2025 (**Original Target's Statement**) issued in response to the offer by FMG to acquire all of your Red Hawk Shares. If you are in doubt as to its contents, please contact your professional advisor.

FINANCIAL ADVISER:

Barrenjoey^o
Partnering with  **BARCLAYS**

LEGAL ADVISER:

PELTON

LEGAL

**THIS IS AN IMPORTANT DOCUMENT AND
REQUIRES YOUR IMMEDIATE ATTENTION.**

*IF YOU ARE IN DOUBT AS TO ITS CONTENTS,
PLEASE CONTACT YOUR PROFESSIONAL ADVISER.*



KEY DATES

| | |
|--|---|
| Date of Offer | Tuesday, 28 January 2025 |
| Offer Period opens | Tuesday, 28 January 2025 |
| Date of the Original Target's Statement | Tuesday, 28 January 2025 |
| Increased Offer Condition deadline | 7.00pm AEDT on Tuesday, 4 February 2025 |
| Date of this Supplementary Target's Statement | Wednesday, 5 February 2025 |
| Date for Notice of Status of Bid Condition | Tuesday, 21 February 2025 |
| Close of Offer Period (unless extended) | 7.00pm AEDT on Monday, 3 March 2025 |

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SUPPLEMENTARY TARGET'S STATEMENT

1 IMPORTANT INFORMATION

1.1 Introduction

This document is a supplementary target's statement issued by Red Hawk Mining Limited (ACN 091 118 044) (**Red Hawk**) under Part 6.5 Division 4 of the *Corporations Act 2001* (Cth) (**Corporations Act**) and is dated 5 February 2025 (**Supplementary Target's Statement**).

This Supplementary Target's Statement supplements the Target's Statement issued by Red Hawk in response to the takeover bid made by FMG Pilbara Pty Ltd (ACN 106 943 828) (**FMG** or the **Bidder**), a wholly-owned subsidiary of Fortescue Ltd (ACN 002 594 872) (**Fortescue**), on 28 January 2025 and lodged with ASIC under Part 6.5 Division 3 of the Corporations Act on 28 January 2025 (**Original Target's Statement**). The Original Target's Statement and this Supplementary Target's Statement are in response to the all-cash off-market takeover bid made by FMG on 28 January 2025 (the **Offer**). The Offer is as set out in the Bidder's Statement issued by the Bidder on 28 January 2025 and which was served on Red Hawk on the same date (the **Bidder's Statement**).

Unless the context requires otherwise, capitalised terms and certain abbreviations used in this Supplementary Target's Statement have the meanings given to them in Section 11.1 of the Original Target's Statement. The interpretation rules set out in Section 11.2 of the Original Target's Statement also apply to this Supplementary Target's Statement.

This Supplementary Target's Statement supplements, and is to be read together with, the Original Target's Statement. This Supplementary Target's Statement will prevail to the extent of any inconsistency with the Original Target's Statement.

A copy of this Supplementary Target's Statement was lodged with ASIC and ASX on 5 February 2025 pursuant to subsection 647(3) of the Corporations Act. Neither ASIC nor ASX nor any of their respective officers take any responsibility for the contents of this Supplementary Target's Statement.

1.2 Other information

You should read this Supplementary Target's Statement in full. Please consult your legal, investment, financial or other professional advisor if you do not fully understand the contents of this Supplementary Target's Statement.

A copy of this Supplementary Target's Statement, and the Original Target's Statement can be obtained from Red Hawk's website at redhawkmining.com.au.

If you have recently sold all of your Red Hawk Shares, please disregard this document.

1.3 Red Hawk Shareholder Information Line

Red Hawk has established a Shareholder Information Line which Red Hawk Shareholders should call if they have any queries in relation to the Offer. The telephone number for the Shareholder Information Line is:

- 1300 115 865 (within Australia); and
- +61 3 9415 4639 (outside Australia).

2 STATUS OF OFFER

2.1 FMG has a Relevant Interest in more than 75% of Red Hawk

Following Todd and OCJ's acceptance of the Offer, FMG now holds an interest of greater than 75% in Red Hawk.

As at the date of this Supplementary Target's Statement, FMG has disclosed that it has a Relevant Interest (including by virtue of acceptances of the Offer) of approximately 78% in Red Hawk.

The Offer remains conditional on the Bid Condition and is currently scheduled to close at 7:00pm (AEDT) on Monday, 3 March 2025, unless withdrawn or extended in accordance with the Corporations Act.

2.2 Bid Condition

FMG has stated that it intends to waive the Bid Condition by no later than the date which is 14 days after FMG acquires a Relevant Interest in at least 50.1% of the Red Hawk Shares, unless the Bid Condition has been breached on or before that date, in which case FMG shall, within 5 Business Days of such breach, publicly state either that it will:

- not rely on (and will waive) such breach; or
- will rely on such breach and will cause the offers to lapse or be withdrawn by no later than 10 Business Days after the relevant statement is made.

As at the date of this Supplementary Target's Statement, the Offer remains subject to the Bid Condition. As FMG has a Relevant Interest in at least 50.1% of the Red Hawk Shares, FMG must waive the Bid Condition by no later than 17 February 2025.

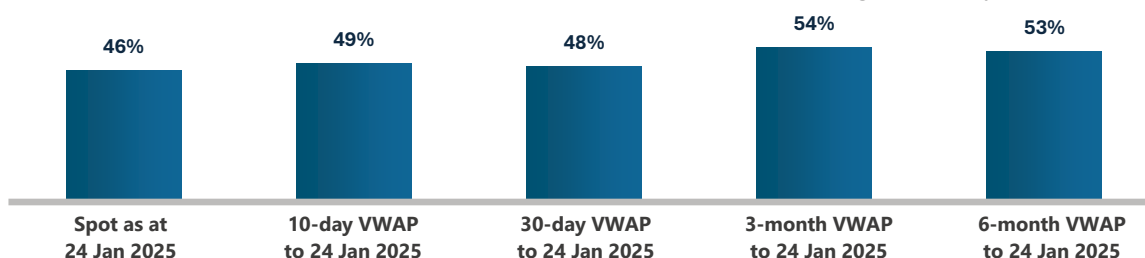
3 INCREASED OFFER PRICE

As FMG's Relevant Interest is now 78%, the Increased Offer Condition has been met, and the consideration now offered for each Red Hawk Share under the Offer has increased to the Increased Offer Price, being \$1.20 cash per Red Hawk Share.

The Increased Offer Price will apply to all Red Hawk Shareholders who have accepted the Offer (as detailed in the Original Target's Statement) and all Red Hawk Shareholders who have yet to accept the Offer.

As noted in section 1.1 of the Original Target's Statement, the Increased Offer Price represents an attractive premium based on Red Hawk's historical trading prices leading up to the announcement of the Offer, including:

- 46% to the trading price of Red Hawk Shares on the ASX at the close of trading on 24 January 2025, being the last closing price before the Offer;
- 49% to the 10-day VWAP of Red Hawk Shares up to and including 24 January 2025;
- 48% to the 30-day VWAP of Red Hawk Shares up to and including 24 January 2025;
- 54% to the 3-month VWAP of Red Hawk Shares up to and including 24 January 2025; and
- 53% to the 6-month VWAP of Red Hawk Shares up to and including 24 January 2025.



4 DIRECTORS CONTINUE TO RECOMMEND ACCEPTING THE OFFER

4.1 Red Hawk Directors' recommendations

The Directors continue to unanimously recommend that Red Hawk Shareholders **ACCEPT** the Offer, now at the Increased Offer Price, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Offer at the Increased Offer Price is fair and reasonable, or not fair but reasonable, to Red Hawk Shareholders. At the date of this Supplementary Target's Statement, no Superior Proposal has emerged, and the Red Hawk Directors are not aware that any alternative Superior Proposal for all of the Red Hawk Shares will be made in the foreseeable future, although the possibility of an alternative offer arising still exists.

4.2 Reasons for the recommendation

The reasons for the Directors' recommendation are set out in the Original Target's Statement.

The Board reiterates the following reasons to **ACCEPT** the Offer:

- (a) the Offer provides certain and immediate cash consideration at a significant and attractive premium to historical trading prices prior to the Last Practicable Date;
- (b) the Independent Expert has concluded that the Offer is fair and reasonable;
- (c) there are ongoing risks associated with the Blacksmith Project, and if the Offer lapses and no alternative proposal emerges, Red Hawk Shares may trade below the Offer Price;
- (d) Red Hawk's cash balance as at 31 December 2024 was \$1.3 million. If Shareholders do not accept the Offer, then there is a strong possibility that Red Hawk will need to conduct an equity raise and Shareholders may be diluted; and
- (e) by not accepting the Offer, Red Hawk Shareholders risk becoming minority shareholders in an entity controlled by FMG.

In addition, the Board notes the following reasons to **ACCEPT** the Offer:

(a) FMG Relevant Interest in Red Hawk exceeds 75%

Since the release of the Original Target's Statement, Red Hawk's two substantial shareholders, Todd and OCJ, have accepted the Offer, resulting in an increase in FMG's Relevant Interest to well over 75%.¹

The Red Hawk Directors continue to consider it is very unlikely that any Superior Proposal will emerge.

(b) Risks of remaining a minority Red Hawk Shareholder

In the Original Target's Statement, Red Hawk disclosed a number of risks associated with being a minority shareholder in a company controlled by FMG. Now that FMG's Relevant Interest in Red Hawk is over 75%, several of these risks are becoming increasingly likely to come to fruition.

In particular, the Board reiterates the following risks and implications associated with being a minority shareholder in Red Hawk in the present circumstances:

¹ As at the date of this Supplementary Target's Statement, FMG's Relevant Interest in Red Hawk is 78%.

(i) Liquidity of Red Hawk Shares

Due to the level of acceptances FMG has received, the number of Red Hawk Shares to be traded on ASX (should the entity remain listed – see section (ii) below) may be reduced.

This potentially lessens the value of the shareholdings of Red Hawk Shareholders who do not accept the Offer, and these shareholders risk being minority shareholders in a company with reduced share trading liquidity. The ASX market price for Red Hawk Shares may no longer be a reliable indicator of value or be at a lower price should Red Hawk Shareholders wish to sell them in the future.

(ii) ASX de-listing

FMG has stated in section 6.2(c) of its Bidder's Statement that it intends to have the Red Hawk Board apply to the ASX to have Red Hawk removed from the official list of ASX, in accordance with ASX guidance. If this occurs, Red Hawk Shares will not be able to be traded on ASX. This could result in a number of disadvantages for Red Hawk Shareholders who have not accepted the Offer, including a significant reduction in the marketability of Red Hawk Shares.

See section 5.16 of the Original Target's Statement for more information on the implications of a potential delisting of Red Hawk.

(iii) Compulsory acquisition

Red Hawk Shareholders should also note that FMG has stated in section 6.3(a) of the Bidder's Statement that if it acquires a Relevant Interest in 90% or more of all Red Hawk Shares, and the compulsory acquisition provisions of the Corporations Act are satisfied, it intends to Compulsorily Acquire the Red Hawk Shares that it does not already own.

If you choose not to accept the Offer and FMG subsequently exercises compulsory acquisition rights, you are likely to be paid later than other Red Hawk Shareholders who accept the Offer.

Each Red Hawk Director who owns or controls Red Hawk Shares intends to accept the Offer in respect to the Red Hawk Shares they own or control.²

Please refer to section 5 below for details of the Red Hawk Directors' interests in Red Hawk.

5 DIRECTORS' INTERESTS**5.1 Directors' interests**

The interests of the Red Hawk Directors as at the Last Practicable Date are disclosed in section 9.5 of the Original Target's Statement.

Since the Last Practicable Date and as foreshadowed in the Original Target's Statement, Managing Director Steven Michael has been issued:

- (a) 250,000 Red Hawk Shares, pursuant to the terms of the Michael Employment Agreement; and
- (b) 4,000,000 Red Hawk Shares, subsequent to accelerated vesting of his Performance Rights issued under the Michael Employment Agreement.

² As at 4 February 2025, The Hon. Cheryl Edwardes, AO owns or controls 24,948 Red Hawk Shares, and Steven Michael owns or controls 4,528,847 Red Hawk Shares.

Accordingly, the interests of the Red Hawk Directors as at 4 February 2025 are set out in the table below:

| Director | Number of Shares held | Options | Number of Shares Pending Issue | Number of Performance Rights |
|------------------------------|-----------------------|---------|--------------------------------|------------------------------|
| The Hon. Cheryl Edwardes, AO | 24,948 | - | - | - |
| Steven Michael | 4,528,847 | - | - | - |
| Rob Foster | - | - | - | - |
| Daniel Harris | - | - | - | - |
| Amy Jiang | - | - | - | - |

5.2 Employee interests

Red Hawk provides employees with ZEPOs as part of an LTI program. As at the Last Practicable Date, Red Hawk had on issue a total of 7,598,063 ZEPOs over Red Hawk Shares issued pursuant to the Red Hawk Employee Equity Incentive Plan. The LTI interests of various Red Hawk employees are disclosed in section 10.7 of the Original Target's Statement.

On 4 February 2025, Red Hawk issued 7,598,063 Red Hawk Shares to Red Hawk employees who held ZEPOs pursuant to the vesting conditions under the Red Hawk Employee Equity Incentive Plan.

6 NON-AUSTRALIAN TAX RESIDENT SHAREHOLDERS

Red Hawk notes that certain statements in section 9.4 of the Original Target's Statement should be corrected.

At section 9.4, the words *"This outline does not apply to Red Hawk Shareholders who:"* should be added immediately following the statement *"This summary is necessarily general in nature and therefore should not be relied upon as advice."*

Additionally, at section 9.4(j), the statement:

"The Red Hawk Shares should not be indirect Australian real property interests as their underlying value is not principally derived from Australian real property."

should instead read as follows:

*"The Red Hawk Shares will constitute indirect Australian real property interests if both the **Non-Portfolio Interest Test** and the **Principal Asset Test** are satisfied."*

The **Non-Portfolio Interest** and **Principal Asset** tests are defined in the Original Target's Statement in sections 9.4(j)(ii)(A) and 9.4(j)(ii)(B), respectively.

Red Hawk Shareholders who are not Australian residents for income tax purposes should note that the Australian tax consequences from the disposal of the Red Hawk Shares may be affected by any double tax agreement between Australia and their country of residence. Foreign resident Red Hawk Shareholders should obtain specific tax advice.

7 ACCEPTING THE OFFER AT THE INCREASED OFFER PRICE

If you have already accepted the Offer, you do not need to do anything further in order to receive the Increased Offer Price.

If you have not yet accepted, and wish to accept the Offer, you should carefully follow the instructions in section 10.3 of the Bidder's Statement and in the Acceptance Form that accompanies the Bidder's Statement.

If you wish to accept the Offer, section 10.3 of the Bidder's Statement indicates, in summary, that you may accept the Offer by:

- (a) instructing your controlling participant (usually, your broker or the bank, custodian or other nominee) to initiate an acceptance of the Offer on your behalf in sufficient time for the Offer to be accepted by the end of the Offer Period; or
- (b) returning a completed and signed Acceptance Form to the address indicated on the form so that it is received before the end of the Offer Period; or
- (c) using the online acceptance facility at **fortescueoffer.com**.

The Offer is scheduled to close at 7.00pm (AEDT) on Monday, 3 March 2025, unless withdrawn or extended by FMG.

Refer to the Bidder's Statement for further details in relation to how to accept the Offer.

If you do not wish to accept the Offer (and have not accepted the Offer), you do not need to do anything and can remain a Red Hawk Shareholder (but noting that FMG proposes to Compulsorily Acquire your Red Hawk Shares if it becomes entitled to do so).

Refer to Section 4 of the Original Target's Statement for further information in relation to your choices as a Red Hawk Shareholder.

8 CONSENTS

8.1 Other

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

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

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

Pursuant to this instrument, the consent of persons such statements are attributed to is not required for inclusion of those statements in this Supplementary Target's Statement.

As permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this Supplementary Target's Statement also contains trading data obtained from IRESS and S&P Global without their consent.

9 ASIC AND ASX DISCLAIMER

A copy of this Supplementary Target's Statement was lodged with ASIC and provided to ASX on 5 February 2025. None of ASIC, ASX or any of their respective officers takes any responsibility for the contents of this Supplementary Target's Statement.

10 AUTHORISATION

This Supplementary Target's Statement is dated 5 February 2025 and has been approved by a resolution passed by the Directors.

Signed for and on behalf of Red Hawk.



The Hon. Cheryl Edwardes, AO
Independent Non-Executive Chair
Red Hawk Mining Limited



Steven Michael
Managing Director and Chief Executive Officer
Red Hawk Mining Limited

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