



TARGET'S STATEMENT

Prepared by

ATLANTIC TIN LTD (ACN 116 931 705)

This Target's Statement has been issued in response to the off-market takeover offer by Xingye Gold (Hong Kong) Mining Company Limited (the **Bidder**) to acquire all of your ordinary shares in Atlantic Tin Ltd (**Atlantic Tin** or **ATL**).

THE DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU

ACCEPT

THE OFFER, IN THE ABSENCE OF A SUPERIOR PROPOSAL.

STEINEPREIS PAGANIN 

Legal Adviser

This is an important document and requires your immediate attention. If you are in any doubt about how to deal with this document, you should contact your broker, professional, financial adviser or legal adviser immediately.

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IMPORTANT NOTICES

Nature of this document

This document is a Target's Statement issued by Atlantic Tin Ltd (ACN 116 931 705) under Part 6.5 Division 3 of the Corporations Act in response to the off-market takeover bid made by the Bidder for all the ordinary shares in ATL.

A copy of this Target's Statement was lodged with ASIC on 19 May 2025. Neither ASIC, nor any of its officers take any responsibility for the content of this Target's Statement.

Defined terms

A number of defined terms are used in this Target's Statement. These terms are explained in Section 14. In addition, unless the context requires otherwise, certain terms and phrases used in this Target's Statement have the same meaning and interpretation as given in the Corporations Act.

No account of personal circumstances

This Target's Statement does not take into account your individual objectives, financial situation or particular needs. It does not contain personal advice. The Directors encourage you to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

Disclaimer as to forward-looking statements

Some of the statements appearing in this Target's Statement may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Atlantic Tin operates as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. None of Atlantic Tin, Atlantic Tin's officers and employees, any persons named in this Target's Statement with their consent, or any person involved in the preparation of this Target's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement.

Disclaimer as to information about Xingye and the Bidder

The information on Xingye and the Bidder set out in this Target's Statement has been prepared by Atlantic Tin using publicly available information and information provided by Xingye and the Bidder. The information in the Target's Statement concerning Xingye and the Bidder and their assets and liabilities, financial position

and performance, profits and losses and prospects, has not been independently verified by Atlantic Tin. Accordingly, Atlantic Tin does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Foreign jurisdictions

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Target's Statement has been prepared in accordance with Australian law and the information set out in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with the laws and regulations outside Australia.

Charts, diagrams and rounding

Any diagrams, charts, maps, graphs and tables appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available at the date of this Target's Statement. A number of amounts, percentages, prices, estimates and other figures in this Target's Statement are subject to the effect of rounding. Accordingly, actual numbers may differ from those set out in this Target's Statement.

Websites

Any website links in this Target's Statement are for your reference only. Information contained in, or otherwise accessible from, those websites does not form part of this Target's Statement.

Privacy

Atlantic Tin has collected your information from the Atlantic Tin register of shareholders for the purpose of providing you with this Target's Statement. The type of information Atlantic Tin has collected about you includes your name, contact details and information on your shareholding in Atlantic Tin. Without this information, Atlantic Tin would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of shareholders and option holders to be held in a public register. Your information may be disclosed on a confidential basis to Atlantic Tin's Related Bodies Corporate and external service providers (such as the share registry of Atlantic Tin and print and mail service providers) and may be required to be disclosed to regulators such as ASIC. If you would like details of information about you held by Atlantic Tin, please email privacy.officer@mpms.mufg.com or call +61 1800 502 355 (free call within Australia), 9:00am–5:00pm (AEST) Monday to Friday (excluding public holidays).

1. KEY INFORMATION

1.1 Important dates

ACTION	DATE
Announcement Date	1 May 2025
Bidder's Statement lodged with Atlantic Tin and ASIC	19 May 2025
Target's Statement lodged with Bidder and ASIC	19 May 2025
Date of this Target's Statement	19 May 2025
Bidder's Statement and Target's Statement sent to ATL Shareholders	20 May 2025
Offer Period opens	20 May 2025
Close of Offer Period (unless extended or withdrawn)	7:00pm (AEST) on 21 June 2025

**These dates are indicative only and may be changed as permitted by the Corporations Act and the Bid Implementation Deed.*

1.2 Shareholder information line

The Bidder has established an Offer information line which ATL Shareholders may call if they have any queries in relation to the Bidder's Offer. The telephone number for the Offer information line is 1300 737 760 (for calls made from within Australia) or +61 2 9290 9600 (for calls made from outside Australia) between 8:30 am and 5:00 pm (AEST) Monday to Friday (excluding public holidays). Calls to the Offer information line may be recorded.

Further information relating to the Bidder's Offer can be obtained from ATL's website at www.atlantictin.com.au.

1.3 Stephen Gill's material personal interest

Chairman Stephen Gill is a nominee director of Pala Investments Limited (**Pala**), ATL's largest shareholder. Mr Gill, as a former director and employee of Pala, also currently carries a participating carry interest on the value of any ATL transaction received by Pala.

Mr Gill and Pala agreed to terms on 31 July 2024 whereby Mr Gill ceased to be employed by Pala and transitioned to a consultant role as an independent contractor. As part of this agreement, it was agreed by Pala and Mr Gill that Mr Gill would maintain the participating carry interest he held as a director of Pala in certain of Pala's investments that were primarily led by him, which included Pala's investment in ATL.

In respect of the recommendation of Mr Gill, ATL Shareholders should have regard to the fact that Mr Gill will receive a benefit from Pala if the takeover is successfully completed.

Despite Mr Gill's material personal interest in the outcome of the Offer, Mr Gill and the other Directors consider that, given the importance of the Offer, and Mr Gill's role as Non-Executive Chairman of ATL, it is important and appropriate for him to provide a recommendation in respect to the Offer.

2. LETTER FROM THE CHAIR OF THE INDEPENDENT BOARD COMMITTEE

Dear Shareholders

On 1 May 2025, ATL announced that it had entered into a Bid Implementation Deed under which Inner Mongolia Xingye Silver & Tin Mining Co Ltd (000426.SZ) (**Xingye**) or its nominee would offer to acquire 100% of the Shares of ATL for A\$0.24 per Share, by way of a recommended off-market takeover bid (**Offer**).

Xingye is a public company incorporated in the People's Republic of China and listed on the Shenzhen Stock Exchange. The Bidder is a wholly owned subsidiary of Xingye.

This Target's Statement dated 19 May 2025 is given by ATL under Part 6.5 of the Corporations Act in response to the Offer made pursuant to the bidder's statement dated 19 May 2025 (**Bidder's Statement**), which was sent to ATL by the Bidder on 19 May 2025. A summary of the key terms and conditions of the Offer are outlined in Section 8 of this Target's Statement. There are a number of risk factors associated with accepting or not accepting the Offer, including those described in Section 11 of this Target's Statement.

As at the date of this Target's Statement, the Bidder and its associates do not hold any Shares in Atlantic Tin. However, ATL's major Shareholder, Pala, and Xingye have entered into a call option deed under which Pala has granted Xingye an option to acquire from Pala 19.99% of the ATL Shares on issued for A\$0.24 per Share (**Call Option**). Xingye may exercise the Call Option if a competing proposal is publicly announced or ATL enters into a binding agreement with a third party in relation to a competing proposal.

DIRECTORS' RECOMMENDATION

Your ATL Directors unanimously recommend¹ that Shareholders **ACCEPT THE OFFER**, in the absence of a superior proposal. The reasons for this recommendation are as follows, as further detailed in Section 4 of this Target's Statement:

- (a) The Offer enables Shareholders to sell their entire shareholding and provides immediate liquidity in the form of cash consideration of A\$0.24 per Share. Being an 'all cash offer', the Offer provides an opportunity for Shareholders who wish to exit their shareholdings, to do so with certainty and provides liquidity for Shareholders who have previously had limited opportunity to realise value for their shareholding since ATL's Shares were delisted from the Australian Securities Exchange (**ASX**) on 22 September 2020.
- (b) The Offer Price represents a premium of:
 - (i) 1500%² to the price at which shares in Kasbah Resources Limited (the former name of ATL) were trading on the ASX immediately prior to its delisting from the ASX on 22 September 2020; and
 - (ii) 20% to the price at which ATL last raised equity (alongside a royalty financing announced on 22 November 2024).
- (c) The ATL Directors are mindful that while the Achmmach tin project (**Achmmach** or **Achmmach Tin Project**) represents an attractive development opportunity, significant funding is required to take Achmmach into production, which could be highly dilutive to Shareholders. The Offer presents an opportunity for shareholders to realise value while avoiding exposure to a variety of risks including, among others, project development and operational risks, regulatory, and economic risks inherent in their shareholding.
- (d) ATL has, together with its advisers, engaged with a range of third parties to explore financing and alternative strategic options to maximise value for Shareholders. The Offer from the Bidder has emerged as a compelling opportunity, representing certain value and immediate liquidity. To date, the

¹ In respect of the recommendation of Mr Gill, Shareholders should have regard to the fact that Mr Gill will receive a benefit if the takeover is successfully completed. Refer to Section 1.3 for further information regarding Mr Gill's interest in the Offer.

² Reflects the increase from the closing price of ATL's Shares on ASX of A\$0.015 per Share on 22 September 2020 to A\$0.24 per share, calculated as $(A\$0.24 - A\$0.015) / A\$0.015 \times 100 = 1,500\%$.

Offer is the only such certain value and immediate liquidity proposal capable of implementation.

- (e) The Offer has strong Shareholder and Director support, including from ATL's largest Shareholder, Pala, who at the date of this Target's Statement holds approximately 72.26% of the issued Share capital and has stated that it intends to accept the Offer, in respect of the Shares it controls or comes into control of during the Offer Period, in the absence of a superior proposal. The Directors intend to accept the Offer in respect of the 4,942,678 Shares they currently own or control (representing approximately 1.23% of the issued Share capital) and any additional Shares that they come to own or control, in each case in the absence of a superior proposal. Therefore, in aggregate, Shareholders currently controlling a total of 295,339,217 Shares have stated that they intend to accept the Offer in the absence of a superior proposal (representing approximately 73.49% of the issued Share capital).

The Directors have additionally outlined potential reasons a Shareholder may reject the Offer, as further detailed in Section 5 of this Target's Statement:

- (a) acceptance of the Offer means you will no longer have exposure to any potential upside in Atlantic Tin and its Projects; and
- (b) if you accept the Offer, you may pay tax on any gain you crystallise in the current financial year.

Each Director intends to accept the Offer, in respect of the Shares they own or control or come to own or control, in the absence of a superior proposal. The Offer is subject to conditions, which are detailed in full in section 10.7 of the Bidder's Statement.

HOW TO ACCEPT THE OFFER

You may accept the Offer in respect of all (and not a lesser number) of your Shares. To accept the Offer, you should follow the instructions set out in the Bidder's Statement and the Acceptance Form. To be effective, your acceptance of the Offer must be received by 7:00pm (AEST) on 21 June 2025 (unless extended).

If you do not wish to accept the Offer, you do not need to do anything.

ENQUIRIES

ATL will keep you informed in relation to the Offer, and any other relevant developments, through announcements which will be available at its website www.atlantictin.com.au.

We urge you read this Target's Statement in full and consider the Offer having regard to your own personal risk profile, investment strategy and tax position. In this regard, you may wish to consult your broker, professional financial adviser or legal adviser.

Yours faithfully



Stephen Withnell
Chair of the Independent Board Committee
Atlantic Tin Ltd

3. DIRECTORS' RECOMMENDATION AND INTERESTS

3.1 Independent Board Committee

As set out in Section 1.3, Chairman Stephen Gill is a nominee director of Pala, ATL's largest Shareholder. The ATL Board accordingly established an Independent Board Committee (**IBC**) for the purposes of evaluating and responding to the Offer. As set out in Section 1.3, Mr Gill currently carries a participating carry interest on the value of any ATL transaction received by Pala. Although Mr Gill is no longer a director of Pala, nor holds any interest in Xingye, the ATL Board established the IBC to ensure due process in assessing the Offer.

The IBC comprises Stephen Withnell (Independent Non-Executive Director and IBC Chair), Maha Daoudi (Independent Non-Executive Director), Adam Strauss (Independent Non-Executive Director), Simon Kidston (Independent Non-Executive Director), Simon Milroy (Chief Executive Officer and non-voting IBC member) and Mike Norris (Chief Financial Officer and non-voting IBC member). The IBC adopted various protocols and processes to manage ATL's consideration of the Offer. Among other things, it was determined that Mr Gill would not participate in, or vote on, any consideration of the Offer by the IBC.

3.2 Directors' recommendations

The IBC and Directors have carefully considered the Offer to assess whether it is in the best interests of Shareholders, including the information set out in the Bidder's Statement.

Despite Mr Gill's material personal interest in the outcome of the Offer as set out in Section 1.3, Mr Gill and the other Directors consider that, given the importance of the Offer, and Mr Gill's role as Non-Executive Chairman of ATL, it is important and appropriate for him to provide a recommendation in respect to the Offer.

Having carefully considered each of the matters in this Target's Statement, your Directors believe that the consideration offered by the Bidder represents fair value for your Shares.

Your Directors unanimously recommend³ that Shareholders **ACCEPT THE OFFER**, in the absence of a superior proposal.

Full details of the reasons why you should **ACCEPT THE OFFER** are set out in Section 4 of this Target's Statement and include:

- (a) the Offer Price represents a premium of:
 - (i) 1500%⁴ to the price at which shares in Kasbah Resources Limited (the former name of ATL) were trading on the ASX immediately prior to its delisting from the ASX on 22 September 2020; and
 - (ii) 20% to the price at which ATL last raised equity (in connection with a royalty financing announced on 22 November 2024);
- (b) the Offer represents an opportunity for you to realise your entire shareholding, which is otherwise difficult given virtually no liquidity;
- (c) the cash certainty provided by the Offer;
- (d) the ongoing risks associated with Atlantic Tin and the Projects;
- (e) no superior proposal having emerged to date;
- (f) the unlikelihood of a superior proposal emerging;
- (g) strong support of the Offer from Pala, ATL's largest shareholder; and
- (h) risks associated with being a minority Shareholder in Atlantic Tin.

³ In respect of the recommendation of Mr Gill, Shareholders should have regard to the fact that Mr Gill will receive a benefit from Pala if the takeover is successfully completed. Refer to Section 1.3 for further information regarding Mr Gill's interest in the Offer.

⁴ Reflects the increase from the closing price of ATL's Shares on ASX of A\$0.015 per Share on 22 September 2020 to A\$0.24 per Share, calculated as $(A\$0.24 - A\$0.015) / A\$0.015 * 100 = 1,500\%$.

The reasons why you may wish to reject the Offer are set out in Section 5 of this Target's Statement and include:

- (a) you will cease to enjoy the benefits of being a Shareholder;
- (b) you may disagree with the Directors' recommendation;
- (c) you may consider that there is potential for a superior proposal to emerge;
- (d) you may wish to sell your Shares to a third party and receive the proceeds of that sale sooner than the consideration under the Offer; and
- (e) if you accept the Offer, you may pay tax on any gain you crystallise in the current financial year.

In considering whether to accept the Offer, the Directors encourage you to:

- (a) read this Target's Statement in full;
- (b) read the Bidder's Statement in full;
- (c) have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and
- (d) obtain financial advice from your broker or professional financial adviser in respect of the Offer and obtain taxation advice on the effect of accepting the Offer.

3.3 Intentions of the Directors in relation to the Offer

The Directors of ATL intend to accept the Offer in respect of all the Shares that they own or control or come to own or control, in the absence of a superior proposal.

Details of the Relevant Interests of each Director in Shares are set out in Section 3.4 of this Target's Statement.

3.4 Interests and dealings in Shares

As at the date of this Target's Statement, the Directors had the following Relevant Interests in Shares:

NAME	NUMBER OF SHARES
Mr Stephen Gill	1,815,992
Mr Stephen Withnell	1,253,066 ¹
Ms Maha Daoudi	1,203,917
Mr Adam Strauss	633,333 ²
Mr Simon Kidston	36,370 ³
TOTAL	4,942,678

Notes

1. Comprising 255,506 held by Withnell & Partners Limited, an entity controlled by Mr Withnell, and 997,560 Shares held directly.
2. Held by Indiana Nominees Pty Ltd, an entity controlled by Mr Strauss.
3. Held by KFT Capital Pty Ltd, an entity controlled by Mr Kidston.

3.5 Dealings in Shares

On 10 April 2025, ATL issued 1,751,648 Shares upon the conversion of 1,751,648 NED Share Rights issued to the Directors. The Shares were issued as follows:

- (a) 341,667 Shares to Stephen Withnell;
- (b) 341,667 Shares to Maha Daoudi;
- (c) 400,000 Shares to Indiana Nominees Pty Ltd as nominee of Adam Strauss;
- (d) 631,944 Shares to Stephen Gill; and

- (e) 36,370 Shares to KFT Capital Pty Ltd as nominee of Simon Kidston.

Other than as noted above, in the four-month period ending on the date immediately before the date of this Target's Statement, no Director has acquired or disposed of a Relevant Interest in any Shares.

3.6 Interests and dealings in securities of Xingye and the Bidder

(a) **Interests in the securities of Xingye and the Bidder**

As at the date of this Target's Statement, no Atlantic Tin Director had a Relevant Interest in any securities of Xingye or the Bidder.

(b) **Dealings in the securities of Xingye and the Bidder**

No Atlantic Tin Director acquired or disposed of a Relevant Interest in any securities of Xingye or the Bidder in the four month period ending on the date immediately before the date of this Target's Statement.

3.7 Benefits and agreements

(a) **Benefits in connection with retirement from office**

As a result of the Offer, no person has been or will be given any benefit (other than a benefit which can be given without member approval under the Corporations Act) in connection with the retirement of that person, or someone else, from a board or managerial office of Atlantic Tin or any of its Related Bodies Corporate.

(b) **Agreements connected with or conditional on the Offer**

As disclosed in Section 1.3, Stephen Gill and Pala agreed to terms on 31 July 2024 whereby Mr Gill ceased to be employed by Pala and transitioned to a consultant role as an independent contractor. As part of this agreement, it was agreed by Pala and Mr Gill that Mr Gill would maintain the participating carry interest he held as a director of Pala in certain of Pala's investments that were primarily led by him, which included Pala's investment in ATL.

Atlantic Tin has paid:

- (i) A\$70,000 to Mr Stephen Withnell;
- (ii) A\$50,000 to Mrs Maha Daoudi;
- (iii) A\$50,000 to Mr Adam Strauss; and
- (iv) A\$30,000 to Mr Simon Kidston,

(each, a **Special Exertion Fee**) in consideration for their work undertaken in respect of the Offer.

Other than Mr Gill's participating carry interest and the Special Exertion Fees, there are no agreements made between any Atlantic Tin Director and any other person in connection with, or conditional upon, the outcome of the Offer other than in their capacity as a holder of Shares.

(c) **Benefits from Xingye or the Bidder**

None of the Directors have agreed to receive, or are entitled to receive, any benefit from Xingye or the Bidder which is conditional on, or is related to, the Offer, other than in their capacity as a holder of Shares.

(d) **Interests of Directors in contracts with the Bidder**

None of the Directors have any interest in any contract entered into by the Bidder.

4. REASONS WHY YOU SHOULD ACCEPT THE OFFER

4.1 The Directors unanimously recommend⁵ the Offer

The Directors unanimously recommend⁵ that you **ACCEPT THE OFFER** in the absence of a superior proposal. This is because, having carefully considered the Offer, the IBC and Directors believe that the Offer is in the best interests of Shareholders.

In considering whether to **ACCEPT THE OFFER**, the Directors encourage you to read this Target's Statement in its entirety, having regard to your individual risk profile, portfolio, strategy, tax position and financial circumstances, and obtain advice from your legal, financial, taxation or other professional adviser.

4.2 The Directors who own Shares intend to ACCEPT THE OFFER

The ATL Directors currently hold or control approximately 1.23% of the Shares. Each Director has informed ATL that they intend to **ACCEPT THE OFFER** in the absence of a superior proposal and sell all Shares that they hold or control or come to hold or control on the terms of the Offer.

4.3 The Bidder may be able to compulsorily acquire your Shares even if you do not accept the Offer

The Bidder has indicated in section 6.2 of the Bidder's Statement that if it satisfies the required thresholds it intends to compulsorily acquire any outstanding Shares.

If the Bidder acquires a Relevant Interest of 90% or more of the Shares and the Conditions of the Offer are satisfied or waived, it will be entitled to proceed to compulsorily acquire the Shares not held by it. If so, your Shares will be compulsorily acquired and you will receive the same consideration that you would have received under the Offer, however, you will receive the consideration later than those Shareholders who accept the Offer.

4.4 The Offer Price is at a compelling premium to the last price at which ATL last raised capital, and a significant premium to the last trading price prior to delisting in 2020, and represents an opportunity for you to realise your entire shareholding at a fair value, which is otherwise difficult given virtually no liquidity

If you accept the Offer, you will be paid A\$0.24 in cash for each Share you hold. The Directors consider that the Offer Price of A\$0.24 cash per Share provides certainty for ATL Shareholders which, in the absence of a superior proposal, on balance, is more attractive than remaining an ATL Shareholder.

The Offer is made for 100% of your Shares, which provides you with an opportunity to sell your entire shareholding. As far as the Directors are aware, there is no active secondary market for the Shares and the Shares are likely to continue to have low levels of liquidity as an unlisted public company, so you may have difficulty selling all or part of your shareholding in other circumstances.

The Offer also represents the first opportunity for shareholders to realise value outside of any off-market transactions since the Shares were delisted from the ASX on 22 September 2020. In the absence of the Offer, or a competing proposal, there are no near-term plans for an alternative liquidity event, or for the Shares to be listed on a recognised stock exchange.

The Offer is being made at a price of A\$0.24 per Share, representing:

- (a) a premium of 20% to ATL's last equity fundraising (in connection with a royalty financing announced 22 November 2024); and
- (b) a premium of 1,500% to the price at which shares in Kasbah Resources Limited (ASX:KAS) (the former name of ATL) were trading on the ASX immediately prior to its delisting from the ASX on 22 September 2020.

⁵ In respect of the recommendation of Mr Gill, Shareholders should have regard to the fact that Mr Gill will receive a benefit from Pala if the takeover is successfully completed. Refer to Section 1.3 for further information regarding Mr Gill's interest in the Offer.

Given the low levels of liquidity, and ATL's unlisted public company status, you may have difficulty identifying a buyer who is willing to purchase your Shares at that price.

4.5 The Offer provides cash certainty

If you accept the Offer and the conditions of the Offer are satisfied or waived, you will obtain the certainty of receiving a cash payment of A\$0.24 per Share. Along with providing certainty of value for your Shares, by accepting the Offer, you will eliminate any exposure to the potential risks inherent in continuing to hold Shares.

The certainty of the Offer should be compared with the risks and uncertainties of remaining a Shareholder, which are set out in Sections 4.6, 4.10 and 11.3. If you accept the Offer, you will cease to be exposed to the risks associated with an investment in Atlantic Tin.

If you accept the Offer, the Bidder will pay you within the earlier of:

- (a) one month of your acceptance, unless the Offer is still subject to the conditions, in which case you will be sent payment within one month of the Offer becoming or being declared unconditional; and
- (b) provided the Offer is unconditional, within 21 days of the end of the Offer Period.

4.6 Value realisation opportunity while avoiding exposure to ongoing risks associated with Atlantic Tin and the Projects

There are inherent risks in continuing to own ATL Shares, particularly concerning ATL's near-term capital needs. Given ATL's historical operating losses, its ability to continue as a going concern is primarily dependent on securing additional debt or equity financing.

Atlantic Tin's business is capital intensive and will require significant additional capital to satisfy ATL's near-term objectives, including further exploration activities at the recently acquired SAMINE tenements, completion of the definitive feasibility study for ATL's flagship asset, the Achmmach Tin Project, and the subsequent development thereof.

Significant funding is required to take Achmmach into production, which, if available at all, could be highly dilutive to Shareholders or available on terms that make economic returns unattractive in comparison to the immediate liquidity presented by the Offer. The Offer presents an opportunity for Shareholders to realise value while avoiding exposure to a variety of risks including, among others, project development and operational risks, regulatory, and economic risks inherent in their shareholding.

Further company-specific and external risks to and uncertainties associated with Atlantic Tin and ATL's Projects are further detailed in Section 11 of this Target's Statement.

4.7 No superior proposal has emerged to date

As at the date of this Target's Statement, no superior proposal has emerged to cause the Directors to reconsider their current recommendation.

While there is the potential for a proposal that is superior to the Offer to emerge, prior to entry into the Bid Implementation Deed, ATL had discussions with a number of third parties regarding potential interest in submitting an alternative proposal. Since the Announcement Date, Atlantic Tin has not received any approaches which would cause it to believe that a superior proposal is likely to emerge.

Subject to the terms of the Bid Implementation Deed, if a competing transaction for ATL emerges, the IBC will carefully consider the proposal to determine whether it is a superior proposal and will inform you of any material developments which may affect the IBC's view that the Offer is presently the most favourable proposal for all your Shares.

4.8 It is unlikely that a superior proposal will emerge

In light of ATL not having received any approaches which would cause it to believe that a superior proposal is likely to emerge, the Directors consider it highly unlikely that a superior proposal will be forthcoming from the date of this Target's Statement until the end of the Offer Period.

4.9 Strong support from Pala, ATL's major shareholder

The Offer has the support of ATL's largest shareholder, Pala, which has stated that it intends to accept the Offer, in the absence of a superior proposal, in respect of the 290,396,539 Shares it currently controls (representing approximately 72.26% of the issued Share capital) and any additional Shares issued to Pala during the Offer Period. When combined with the 4,942,678 Shares controlled by the ATL Directors, in aggregate approximately 73.49% of ATL's issued Share capital intends to accept the Offer, in the absence of a superior proposal.

Further, Pala and Xingye have entered into the Call Option under which Pala has granted Xingye an option to acquire from Pala 19.99% of the ATL Shares on issue for A\$0.24 per Share. Xingye may exercise the Call Option if a competing proposal is publicly announced or ATL enters into a binding agreement with a third party in relation to a competing proposal.

4.10 There are risks associated with continuing as a minority shareholder in Atlantic Tin

As ATL is an unlisted entity, and the Shares do not trade on-market, the Shares have low levels of liquidity. If any Shareholders continue as minority Shareholders following completion of the Offer, they may be unable to identify parties to acquire all or any part of their Shares at a price equal to or greater than the Offer Price offered by the Bidder or at all.

In the absence of the Offer, or an alternative proposal, there are no plans for a near term liquidity event, or for the Shares to be listed on a recognised stock exchange.

If Xingye holds more than 50% of the Shares in ATL, it will have majority control of ATL and its Projects, and as an operating mining company, may be considered unlikely to wish to pursue a liquidity event for the Shares it does not control.

Accordingly, Shareholders who retain Shares will be exposed to ongoing risks associated with an investment in ATL, including the risks relating to the value at which you may be able to exit your investment. By accepting the Offer, you will eliminate your direct exposure to the risks inherent in continuing to hold Shares, including risks associated with ATL's business and general industry risks. Refer to Section 11.3 for details regarding specific risks of not accepting the Offer depending on the outcome of the Offer.

4.11 Near term potential going concern risks

As of 30 April 2025, the ATL Group had cash at bank and on hand of approximately A\$3,504,217. As of the same date, ATL had a balance outstanding under the loan facility agreement dated 30 May 2024 between Pala and ATL (**Loan Facility Agreement**) of \$521,901. Accordingly, ATL's near term funding position is currently dependent upon the support of Pala. The Loan Facility Agreement was amended in connection with the Offer to increase the maximum amount that can be drawn down by ATL to A\$6,800,000, which is available until 15 December 2025, and to extend the maturity date until 31 December 2025. Subject to the Bid Implementation Deed, ATL will meet all transaction costs by drawing down on the Loan Facility Agreement and Shareholders should be aware of the potential debt balance owing to Pala should the Offer not proceed.

ATL, Xingye and Pala entered into a deed of termination on 30 April 2025 (**Termination Deed**) whereby, upon the Bidder achieving Effective Control, Xingye will advance a loan to ATL to repay amounts owing to Pala under the Pala Loan. The terms of the new loan with Xingye include:

- (a) Repayment: ATL must repay the loan amount and all interest accrued in full on or before 30 April 2026 or as otherwise agreed by ATL and Xingye.
- (b) Interest: interest accrues at 15% per annum and is calculated on the daily balance of the Loan Amount on the basis of a year of 365 days and for the actual number of days elapsed.
- (c) Conversion: ATL agrees that Xingye can convert the loan amount (or part of it) to shares provided that each Share is issued on a conversion price of A\$0.24 and the conversion does not give rise to a breach of the Corporations Act.

4.12 Restrictions on advancing the Project during the Exclusivity Period

Under the Bid Implementation Deed, ATL must conduct its business materially in accordance with the Approved Budget and Approved Activities List and otherwise in the ordinary course of business until the end of the Exclusivity Period.

The Approved Budget and Approved Activities List was agreed between Xingye and ATL and involves material restrictions on ATL's conduct on the Projects during the Exclusivity Period.

As a consequence of the material restrictions during the Exclusivity Period, the development of the Projects will be delayed.

5. REASONS WHY YOU MIGHT NOT ACCEPT THE OFFER

In addition to the reasons why you should accept the Offer outlined in Section 4, the Directors consider that the following factors are also relevant to your decision.

5.1 You will cease to enjoy the benefits of being a Shareholder

If you accept the Offer, and the conditions of the Offer are satisfied or waived, you will cease to have any interests in ATL in your capacity as a Shareholder. As a consequence, you will not participate in any potential upside that may result from remaining as a Shareholder of ATL, including any increase in the value of Shares, any future entitlements to dividends or any other benefits that may ultimately be realised by ATL.

5.2 The Offer remains conditional and uncertain

Shareholders will only receive the Offer consideration if all conditions of the Offer are satisfied or are waived by the Bidder. As at the date of this Target's Statement, the Offer remains subject to conditions, including regulatory approvals and a minimum acceptance condition whereby during or at the end of the Offer Period, the Bidder has a Relevant Interest in at least 90% of the Shares on issue at that time.

Full details of the conditions of the Offer are set out in Section 8.3 of this Target's Statement.

5.3 You may disagree with the Directors' recommendation

You may disagree with the recommendation of the Directors to accept the Offer, in the absence of a superior proposal. This may be because you believe that the Offer Price is insufficient and you may hold a different view as to the value of Shares to the Directors.

5.4 You may consider that there is potential for a superior proposal to emerge

You may believe that a superior proposal for all Shares could emerge in the future. If a superior proposal is announced, Shareholders who have accepted the Offer will not be able to withdraw their acceptance in order to accept a superior proposal, unless the Offer is withdrawn or the conditions to the Offer have not been satisfied or waived by the end of the Offer Period. However, if the Bidder varies the Offer to increase the consideration it is offering for your Shares, you will be entitled to receive the increased consideration even if you have already accepted the Offer.

You should note that, at the date of this Target's Statement, no superior proposal has been received. The Directors consider it highly unlikely that a superior proposal will emerge from the date of this Target's Statement until the end of the Offer Period, particularly given the existence of the Call Option, which provides Xingye the option to acquire from Pala a 19.99% interest in ATL if a competing proposal is publicly announced or ATL enters into a binding agreement with a third party in relation to a competing proposal.

5.5 You may wish to sell your Shares to a third party and receive the proceeds of that sale sooner than the consideration under the Offer

During the Offer Period, you may wish to sell your Shares to a third party if the third party offers to provide you with the proceeds of that sale sooner than the Bidder offers to pay you your cash consideration under the Offer.

5.6 If you accept the Offer, you may pay tax on any gain you crystallise in the current financial year

If you accept the Offer, then this may trigger taxation implications for you earlier than would have otherwise been the case.

Australian tax resident Shareholders for income tax purposes who hold their Shares on a capital account, and who would make a capital gain on disposal of their Shares, could crystallise a capital gains tax liability by accepting the Offer.

In addition, foreign Shareholders may be subject to the tax consequences in their jurisdiction if they accept the Offer.

You should carefully read the taxation considerations outlined in Section 12, however Shareholders should not rely upon the taxation considerations in that overview as being advice on their own particular circumstances and affairs. The Directors encourage

Shareholders to consult with their own independent taxation advisers regarding the taxation implications of accepting the Offer given their own particular circumstances.

6. FREQUENTLY ASKED QUESTIONS

QUESTION	ANSWER
What is this Target's statement?	This Target's Statement is the document which has been prepared by ATL and provides ATL's response to the Bidder's Offer, including the recommendation of the Directors.
What is the Bidder's Statement?	The Bidder's Statement is the document setting out the terms of the Offer by the Bidder that the Corporations Act requires the Bidder to prepare and send to you. The Bidder's Statement was sent to Shareholders on 20 May 2025.
What is the Offer for my Shares?	The Bidder is offering A\$0.24 for each Share held by you.
What choices do I have as a Shareholder?	<p>As a Shareholder, you have the following choices in respect of your Shares:</p> <ul style="list-style-type: none"> (a) reject the Offer by doing nothing; (b) accept the Offer; (c) sell your Shares (unless you have previously accepted the Offer and you have not validly withdrawn your acceptance). <p>The Directors unanimously recommend⁶ that you <u>ACCEPT THE OFFER</u>, in the absence of a superior proposal.</p> <p>There are several implications in relation to each of the above choices. A summary of these implications is set out in Section 7 of this Target's Statement.</p>
What are the Directors of Atlantic Tin recommending?	<p>The ATL Board unanimously recommend⁶ that Shareholders <u>ACCEPT THE OFFER</u>, in the absence of a superior proposal.</p> <p>For further details on the Directors' recommendation refer to Sections 3 and 4.</p>
Who are the IBC members?	<p>The voting IBC members are each of the directors on the ATL Board, except for Stephen Gill. Simon Milroy (Chief Executive Officer and Mike Norris (Chief Financial Officer) are non-voting IBC members.</p> <p>As explained in Section 1.3, Chairman Stephen Gill is a nominee director of Pala, ATL's cornerstone shareholder. In light of this, the ATL Board established an IBC for the purposes of evaluating and responding to the Offer. Mr Gill, as a former director and employee of Pala, also currently carries a participating carry interest on the value of any ATL transaction received by Pala. Although Mr Gill is no longer a director of Pala, nor holds any interest in Xingye, the ATL Board established the IBC to ensure due process in assessing the Offer. The IBC has carefully reviewed Mr Gill's position and interest and consider that his interest in the Offer does not preclude him from making a recommendation in relation to the Offer.</p> <p>For this reason, Stephen Gill has not participated in the IBC's consideration of the Offer.</p>

⁶ In respect of the recommendation of Mr Gill, Shareholders should have regard to the fact that Mr Gill will receive a benefit from Pala if the takeover is successfully completed. Refer to Section 1.3 for further information regarding Mr Gill's interest in the Offer.

QUESTION	ANSWER
Why are the Directors recommending that I accept the Offer?	<p>The Directors recommend that you <u>ACCEPT THE OFFER</u>, in the absence of a superior proposal. Reasons why you should <u>ACCEPT THE OFFER</u> include:</p> <ul style="list-style-type: none"> (a) the Offer Price represents a premium of: <ul style="list-style-type: none"> (i) 1500%⁷ to the price at which shares in Kasbah Resources Limited (the former name of ATL) were trading on the ASX immediately prior to its delisting from the ASX on 22 September 2020; and (ii) 20% to the price at which ATL last raised equity (alongside a royalty financing announced on 22 November 2024); (b) the Offer represents an opportunity for you to realise your entire shareholding, which is otherwise difficult given virtually no liquidity; (c) the cash certainty provided by the Offer; (d) the ongoing risks associated with Atlantic Tin and the Projects; (e) no superior proposal having emerged to date; (f) the unlikelihood of a superior proposal emerging; (g) strong support of the Offer from Pala, ATL's largest shareholder; and (h) risks associated with continuing as a minority Shareholder in Atlantic Tin. <p>For further details on the Directors' recommendation refer to Sections 3 and 4.</p>
What do the Directors intend to do with their own Shares?	Each of the Directors intends to accept the Offer in respect of the Shares they own or control or come to own or control, in the absence of a superior proposal.
Why has no independent expert been appointed?	<p>ATL is not required by the Corporations Act to appoint an independent expert. In addition, the IBC does not consider that an independent expert's report is necessary for reasons including:</p> <ul style="list-style-type: none"> (a) the information in this Target's Statement, the Bidder's Statement and publicly available information is sufficient for Shareholders to determine whether or not to accept the Offer; (b) the cost of obtaining an independent expert's report would be substantial considering ATL's near term cash constraints; and (c) the time needed to prepare the independent expert's report could potentially delay the completion of the Offer.
How do I reject the Offer?	To reject the Offer, simply do nothing. You should take no action in relation to all correspondence from the Bidder in relation to the Offer.
How do I accept the Offer?	You may accept the Offer in respect of all (and not a lesser number) of your Shares. To accept the Offer, you should follow the instructions set out in the Bidder's

⁷ Reflects the increase from the closing price of ATL's Shares on ASX of A\$0.015 per Share on 22 September 2020 to A\$0.24 per Share, calculated as $(A\$0.24 - A\$0.015) / A\$0.015 * 100 = 1,500\%$.

QUESTION	ANSWER
	Statement (in particular, the 'How to Accept' section) and the Acceptance Form. To be effective, your acceptance of the Offer must be received by 7:00pm (AEST) on 21 June 2025 (unless extended).
What are the consequences of accepting the Offer now?	If you accept the Offer, unless withdrawal rights are available (see below), you will give up your right to sell your Shares or otherwise deal with your Shares while the Offer remains open.
If I accept the Offer, can I withdraw my acceptance?	You may only withdraw your acceptance if the Bidder varies the Offer in a way that postpones the time when the Bidder is required to satisfy its obligations by more than one month. Section 8.7 of this Target's Statement sets out further details on withdrawing your acceptance.
When does the Offer close?	<p>The Offer is scheduled to close at 7:00pm (AEST) on 21 June 2025, unless extended.</p> <p>Section 8.4 of this Target's Statement sets out further details of the circumstances in which the Offer Period can be extended.</p>
What are the conditions of the Offer?	The Offer is subject to the conditions which are set out in Section 8.3 of this Target's Statement. The Bidder may choose to waive some of those conditions. If the conditions are not fulfilled or waived by the end of the Offer Period, the Offer will lapse and any acceptances of the Offer will be void.
What happens if the conditions of the Offer are not satisfied or waived?	If the conditions are not satisfied or waived before the Offer closes, the Offer will lapse. You would then be free to deal with Shares even if you had accepted the Offer.
How is the Bidder funding the Offer?	Section 8.2 of the Bidder's Statement includes further details on how the Bidder is funding the Offer.
When will I be sent my consideration if I accept the Offer?	<p>If you accept the Offer, you will have to wait for the Offer to become unconditional before you will be sent your consideration from the Bidder.</p> <p>Section 8.8 of this Target's Statement sets out further details on when you will be sent your consideration.</p>
Can I be forced to sell my Shares?	<p>You cannot be forced to sell your Shares unless the Bidder compulsorily acquires your Shares.</p> <p>The Bidder has indicated in section 6.2 of the Bidder's Statement that if it satisfies the required thresholds it intends to compulsorily acquire any outstanding Shares.</p> <p>The Bidder and its associates' will need to obtain a Relevant Interest in 90% or more of the total issued Shares in order to proceed to compulsory acquisition in accordance with the provisions of Chapter 6A of the Corporations Act.</p> <p>Section 8.11 of this Target's Statement sets out further details on compulsory acquisition.</p>
What are the tax implications of accepting the Offer?	<p>A general summary of the tax implications of accepting the Offer is set out in Section 12 of this Target's Statement.</p> <p>Shareholders are encouraged to seek their own advice as to the taxation implications applicable to their own personal circumstances.</p>
Is there a number that I can call if I have further queries in relation to the Offer?	If you have any further queries in relation to the Offer, you can call the Offer information line on 1300 737 760 (for calls made from within Australia) or +61 2 9290 9600 (for calls made from outside Australia) between 8:30 am and

QUESTION	ANSWER
	5:00 pm (AEST) Monday to Friday (excluding public holidays).

7. YOUR CHOICES AS A SHAREHOLDER

7.1 Accept the Offer

The Directors unanimously recommend⁸ that Shareholders **ACCEPT THE OFFER**, in the absence of a superior proposal for the reasons set out in Section 4.

Shareholders may elect to accept the Offer. You may only elect to accept the Offer for all of your Shares.

As set out in the Bidder's Statement, the consideration offered by the Bidder for the acquisition of each of the Shares to which the Offer relates (and the Rights attaching to them) is A\$0.24 per Share.

Details of how to accept the Offer are set out in the 'How to Accept' section in the Bidder's Statement.

If you accept the Offer, you will have to wait for the Offer to become unconditional before you will be sent your consideration from the Bidder.

7.2 Reject the Offer – do nothing

Shareholders who do not wish to accept the Offer or sell their Shares should do nothing.

Shareholders should note that if the Bidder and its associates¹ have a Relevant Interest in at least 90% of the Shares during or at the end of the Offer Period, the Bidder will be entitled to compulsorily acquire the Shares that it does not already own. Refer to Section 8.11 of this Target's Statement for further information. The Bidder has indicated in section 6.2 of the Bidder's Statement that if it satisfies the required thresholds it intends to compulsorily acquire any outstanding Shares.

7.3 Sell your Shares to a third party

You can still sell some or all of your Shares for cash to a third party if you have not already accepted the Offer in respect of those Shares.

Shareholders who sell their Shares may be subject to tax on the sale and may incur a brokerage charge.

Shareholders who wish to sell their Shares should contact their broker for information on how to effect that sale and their tax adviser to determine the tax consequences from such a sale.

⁸ In respect of the recommendation of Mr Gill, Shareholders should have regard to the fact that Mr Gill will receive a benefit from Pala if the takeover is successfully completed. Refer to Section 1.3 for further information regarding Mr Gill's interest in the Offer.

8. DETAILS ABOUT THE OFFER AND OTHER IMPORTANT INFORMATION

8.1 The Offer

The Bidder announced its intention to make its takeover bid for Atlantic Tin on 6 May 2025. The consideration being offered by the Bidder is A\$0.24 cash for each ATL Share that the Bidder does not already own.

As at the date of this Target's Statement, the Bidder and its associates (including acceptances under the Offer) do not hold any Shares in Atlantic Tin. However, ATL's major Shareholder, Pala, and Xingye have entered into the Call Option, under which Pala has granted Xingye an option to acquire from Pala 19.99% of the ATL Shares on issue. Xingye may exercise the Call Option if a competing proposal is publicly announced or ATL enters into a binding agreement with a third party in relation to a competing proposal.

The Offer is open for acceptance until 7:00pm (AEST) on 21 June 2025, unless it is extended or withdrawn. Sections 8.4 and 8.5 of this Target's Statement describe the circumstances in which the Bidder can extend or withdraw its Offer.

8.2 Consideration payable to Shareholders who accept the Offer

The consideration being offered by the Bidder is A\$0.24 cash for each Share it does not already own. You may only accept the Offer in respect of all of your Shares.

8.3 Conditions of the Offer

The Offer is subject to conditions which are set out in full in section 10.7 of the Bidder's Statement.

The outstanding conditions to the Offer, as at the date of this Target's Statement, are:

- (a) **Minimum acceptance:** during, or at the end of the Offer Period, the Bidder and its associates have Relevant Interests in at least 90% of the Shares of ATL.
- (b) **No material breach:** before the end of the Offer Period, the Bidder does not become entitled to terminate the Bid Implementation Deed in accordance with clause 12.1(b) of the Bid Implementation Deed.
- (c) **No Target Prescribed Occurrence:** before the end of the Offer Period, no Target Prescribed Occurrence occurs.
- (d) **Bidder Regulatory Approvals:** before the end of the Offer Period:
 - (i) the NDRC approves the acquisition of the Shares and the Pala Loan Repayment by Xingye;
 - (ii) the MOFCOM approves the acquisition of the Shares and the Pala Loan Repayment by Xingye; and
 - (iii) the SAFE approves Xingye:
 - (A) paying the aggregate price for the Shares under the Offer;
 - (B) paying the Pala Loan Repayment; and
 - (C) transferring funds in Australian dollars or another approved currency out of China to Australia for the purposes stated in paragraphs (A) and (B) above,
 - (iv) and such approvals are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention from a Chinese Regulatory Authority (national, provincial or otherwise) to revoke, suspend, restrict, modify or not renew the same.
- (e) **No regulatory action:** before the end of the Offer Period, there is no:
 - (i) preliminary or final decision, order or ruling issued by a Regulatory Authority against any ATL Group Member; or

- (ii) application made by any ATL Group Member to a Regulatory Authority; or
- (iii) action or investigation announced or commenced by a Regulatory Authority,

which could reasonably be expected to restrain, impede, prohibit or otherwise have a material adverse effect on:

- (iv) the making of the Offer;
- (v) the acquisition by the Bidder of ATL or Shares, or
- (vi) Xingye's ability to progress, exploit, utilise or benefit from the Projects,

other than an application to or a determination by ASIC or the Takeovers Panel in the exercise of the powers and discretions conferred by the Corporations Act.

- (f) **No adverse Third Party action:** before the end of the Offer Period, no counterparty to a Material Contract with an ATL Group Member exercises a right to terminate or materially vary the contract, or accelerate or delay a material right or obligation under it, to the material detriment of an ATL Group Member or takes any action to that effect as a result of the Bid.
- (g) **Third party consent:** before the end of the Offer Period:
 - (i) each consent counterparty (if any):
 - (A) gives its written approval to the transfer of Shares to the Bidder under the Bid or any associated compulsory acquisition (including to the change of control of the ATL Group); and
 - (B) waiving any rights it may have arising from that transfer (including to prevent the transfer or to amend the terms of, or terminate, the relevant contract); and
 - (ii) no Consent Counterparty threatens that it will not provide the written approval or waiver referred to in paragraph (i) above.
- (h) **No Material Adverse Change:** before the end of the Offer Period, no Material Adverse Change occurs.
- (i) **No force majeure event:** between the Announcement Date and the end of the Offer Period, no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of the ATL Group occurs which has an adverse effect or is likely to have an adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of the ATL Group taken as a whole.

If the Bidder or ATL becomes aware that a condition has been satisfied, it must promptly notify the other party, in writing, of that fact.

8.4 Offer Period

Unless the Offer is extended or withdrawn, it is open for acceptance until 7:00pm (AEST) on 21 June 2025 (**Offer Period**).

The Offer Period cannot be extended by the Bidder beyond 31 October 2025, unless the extension occurs:

- (a) automatically, under section 624(2) of the Corporations Act; or
- (b) with the approval of ATL.

Section 624(2) of the Corporations Act provides that, there will be an automatic extension of the Offer Period if, within the last seven (7) days of the Offer Period:

- (a) the Bidder improves the consideration offered under the Offer; or

(b) the Bidder's Voting Power in Atlantic Tin increases to more than 50%.

If either of the above events occurs, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.

8.5 Withdrawal of Offer

The Bidder may not withdraw the Offer if you have already accepted it. Before you accept the Offer, the Bidder may withdraw the Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

8.6 Effect of acceptance

The effect of acceptance of the Offer is set out in section 10.5 of the Bidder's Statement (Offer terms). Shareholders should read these provisions in full to understand the effect that acceptance will have on their ability to exercise the Rights attaching to their Shares and the representations and warranties which they give by accepting of the Offer.

8.7 Your ability to withdraw your acceptance

Your acceptance of the Offer is irrevocable and can only be withdrawn in certain limited circumstances described the Corporations Act.

Once you have accepted the Offer, you will be unable to withdraw your Shares from the Offer or dispose of your Shares, except if the Offer Period is extended for more than one month and the obligations of the Bidder to pay the consideration are postponed for more than one month and, and the time this Offer is subject to a condition that has not been satisfied or waived.

8.8 When you will receive your consideration if you accept the Offer

If you accept the Offer and the Offer is, or becomes unconditional, provided that the necessary documents accompany your Acceptance Form, you will be paid your consideration within one month of the later of:

- (a) the date you accept the Offer; and
- (b) the date the Offer becomes unconditional,

but, in any event, your payment will be made within 21 days after the Offer closes (assuming all conditions of the Offer are satisfied or waived).

However, there are certain exceptions to the above timetable for the payment of consideration. Full details of when you will be paid your consideration are set out in section 10 of the Bidder's Statement (Consideration).

8.9 Effect of an improvement in consideration on Shareholders who have already accepted the Offer

If the Bidder improves the consideration offered under its Offer, all Shareholders, whether or not they have accepted the Offer before that improvement in consideration, will be entitled to the benefit of that improved consideration.

8.10 Lapse of Offer

The Offer will lapse if the Offer conditions are not freed or fulfilled by the close of Offer Period, in which case, all contracts resulting from acceptance of the Offer and all acceptances that have not resulted in binding contracts are void. In that situation, you will be free to deal with your Shares as you see fit.

8.11 Compulsory acquisition

The Bidder has indicated in section 6.2 of the Bidder's Statement that if it satisfies the required thresholds it intends to compulsorily acquire any outstanding Shares.

(a) Compulsory acquisition

The Bidder will be entitled to compulsorily acquire any Shares in respect of which it has not received an acceptance of its Offer on the same terms as the Offer if,

during or at the end of the Offer Period, the Bidder and its associates' have a Relevant Interest in at least 90% of Shares.

If this threshold is met and the Bidder wishes to exercise its rights to compulsorily acquire any outstanding Shares, the Bidder may give compulsory acquisition notices to Shareholders who have not accepted the Offer. Shareholders have certain statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant Shareholder to establish to the satisfaction of a court that the terms of the Offer do not represent 'fair value' for their Shares. If compulsory acquisition occurs, Shareholders who have their Shares compulsorily acquired are likely to be paid their consideration approximately 5 to 6 weeks after the compulsory acquisition notices are dispatched to them.

(b) **Alternative compulsory acquisition regime**

In addition, if the Bidder becomes entitled to exercise the general compulsory acquisition right under Part 6A.2 of the Corporations Act, it may exercise those rights to compulsorily acquire any outstanding Shares (if the conditions for compulsory acquisition under Part 6A.1 of the Corporations Act are not satisfied) or Employee Share Rights then on issue in accordance with the provisions of Part 6A.2 of the Corporations Act, although it reserves the right not to do so.

8.12 Potential consequences for Shareholders if the Bidder does not obtain a Relevant Interest in at least 90% of Shares

The Offer is conditional upon, inter alia, the Bidder obtaining a Relevant Interest in at least 90% of the Shares. The Bidder reserves its right to declare the Offer free of that condition (or any other condition).

If the conditions of the Offer are satisfied or waived and the Bidder obtains a Relevant Interest in more than 50% of ATL Shares but less than 90% of ATL Shares, it is the present intention of the Bidder to:

- (a) implement the objectives and goals outlined in section 6.3 of the Bidder's Statement to the extent possible and appropriate;
- (b) acquire further ATL Shares in a manner consistent with Corporations Act; and
- (c) if the Bidder becomes entitled at some later time to exercise general compulsory acquisition rights under Part 6A.2 of the Corporations Act, exercise those rights.

8.13 Employee Share Rights and Shares to be issued under STI Programs

Under the Bid Implementation Deed, the Bidder agrees that, subject to section 617 of the Corporations Act, the Bidder will extend the Offer to all Shares that are issued prior to the end of the Offer Period as a result of the exercise of an agreed amount of vested Employee Share Rights and Shares issued under STI Programs so that they may be accepted into the Offer before it closes.

8.14 Taxation consequences of accepting the Offer

The taxation consequences of accepting the Offer depend on a number of factors and will vary depending on your particular circumstances. A general outline of the Australian taxation considerations of accepting the Offer is set out in Section 12 of this Target's Statement.

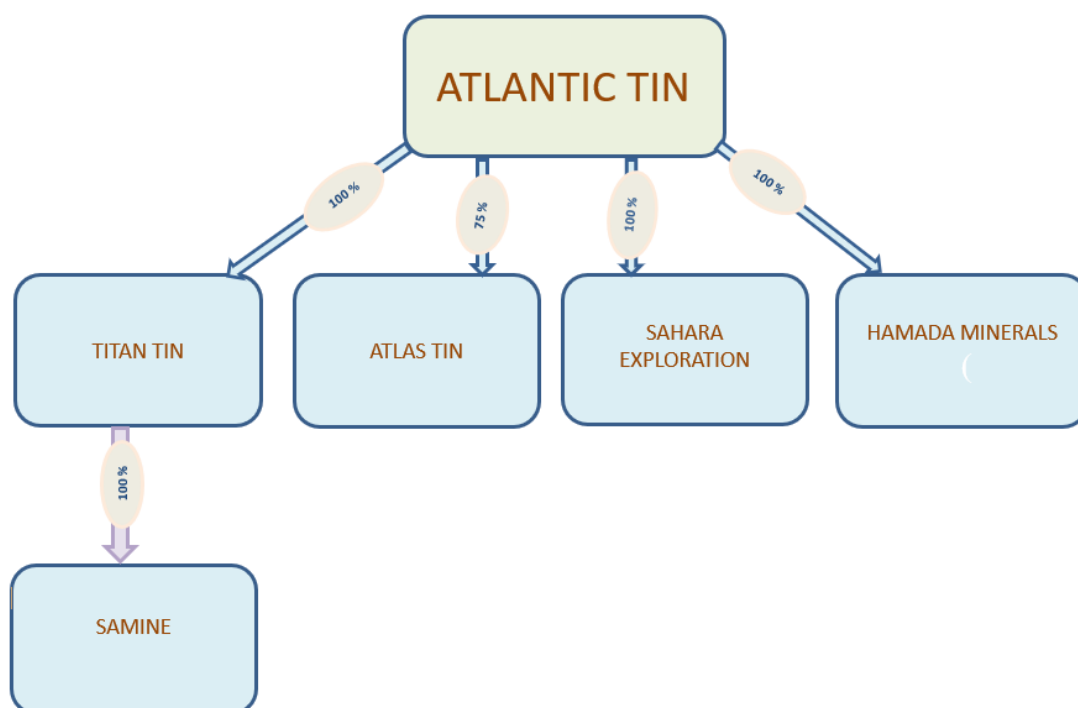
You should carefully read and consider the taxation consequences of accepting the Offer. The outline provided in Section 12 of this Target's Statement is of a general nature only and you should obtain independent professional advice as to the taxation consequences applicable to your own circumstances.

9. INFORMATION ABOUT ATLANTIC TIN

9.1 Overview

ATL, through its Moroccan subsidiaries, holds an attractive package of tin tenements in a prolific yet underexplored tin belt in Morocco. The flagship asset is the Achmmach Tin Project (75% owned through Atlas Tin). In addition to Achmmach, ATL owns 100% of the Bou El Jaj Tin Project located approximately 8km directly southwest of Achmmach as well as 100% of Société Anonyme d'Entreprises Minières (**SAMINE**), which owns the past producing El Hammam mine, including its infrastructure and tenements located adjacent to the Achmmach Tin Project.

An overview of the corporate interest structure of Atlantic Tin is as follows:



9.2 ATL Board of Directors

As at the date of this Target's Statement, the directors of Atlantic Tin are:

NAME	POSITION/PROFILE
Mr Stephen Gill	Non-executive Chairman Mr Stephen Gill is an advisor and the former Managing Partner of Pala Investments, ATL's cornerstone shareholder, where he oversaw the investment activities of the firm, including private equity and debt investments, in addition to the firm's trading strategies. Prior to Pala, Stephen worked with Amec advising industrial and natural resources companies on corporate transactions and environmental regulatory matters, including the IPO of the Kazakh state oil company; and venture capital for Recovco, an aluminium recycling technology company. Mr Gill has a material personal interest in the outcome of the Offer as set out in Section 1.3.
Mr Stephen Withnell	Non-executive Director Stephen has over 20 years' experience in international strategic advisory, capital markets and finance, with an extensive track record in natural resources. Stephen serves as a Senior Advisor to the global investment bank, Evercore. He is a former Managing Director of Goldman Sachs International. Within natural resources and metal and mining, Stephen has worked on numerous strategic reviews, fundraising campaigns, board assignments, mergers and acquisitions,

NAME	POSITION/PROFILE
	<p>corporate takeovers and equity and debt capital markets transactions.</p> <p>Stephen is a Professor in Practice in Finance at Durham University Business School. Stephen is a Non-Executive Director of European Metal Recycling, a global leader in sustainable materials and Verso Biosense, a European healthcare company.</p> <p>Stephen is a graduate of the INSEAD International Directors Programme, a Trustee of the London Library and a Freeman of the City of London.</p>
Mrs Maha Daoudi	<p>Non-executive Director</p> <p>Maha Daoudi has over 20 years' international experience in the commodities and energy transition industries, across the entire value chain. She has held board and senior level positions at several large organizations, including Trafigura, one of the largest international trading houses, where she was Global Head of Copper Concentrates Trading and a member of the Metals & Minerals management committee. She has also held various management roles with Managem, a large Moroccan mining conglomerate, and set up and managed their Swiss trading arm.</p> <p>Maha has been the architect of significant offtake agreements and has been involved in large projects developments in mining, smelting and warehousing in China, Latin America, Europe and Africa. She has an extensive network in the commodities industry and a proven ability to strike up international strategic alliances.</p> <p>She currently holds several Advisory and board membership mandates where she advises hand-picked companies in the commodities, energy transition, finance and tech industries on business strategy, risk management, marketing, operations and expansion plans.</p> <p>She has a master's degree in international business and strategic management from Toulouse Business School, a master's degree in design from Lucerne University of Applied Sciences and Arts, as well as an Executive Management degree in Leadership and Strategic Development from ESSEC Paris. She speaks Arabic, English and French. She holds Moroccan and French nationalities and currently resides in Switzerland.</p> <p>Furthermore, Maha Daoudi also dedicates her time to various social impact initiatives helping women succeed professionally and financially.</p>
Mr Adam Strauss	<p>Non-executive Director</p> <p>Adam Strauss is a practising lawyer with extensive experience in corporate transactions, having previously spent over 20 years practising law at Herbert Smith Freehills, a leading global law firm. He was a partner in the Corporate M&A practice of Herbert Smith Freehills for over 10 years and has worked extensively in the mining sector and has advised on mergers & acquisitions, joint ventures, offtake agreements, demergers, capital raisings, restructurings, and corporate governance. His experience includes both local (Australia) and international or cross-border transactions. After Herbert Smith Freehills, Adam served as Acting Head of Legal (M&A) for BHP Limited.</p> <p>Adam is currently the principal of a boutique commercial law firm and is based in Sydney, Australia.</p> <p>Adam holds a Bachelor of Science and a Bachelor of Laws (First Class Honours) degrees, and is admitted to practice law in New South Wales, Australia.</p>

NAME	POSITION/PROFILE
Mr Simon Kidston	<p>Non-executive Director</p> <p>Simon Kidston brings a wealth of experience in corporate strategy, project development, and resource investment, having built a distinguished career in the mining, energy, and finance sectors.</p> <p>As a co-founder and executive director of Genex Power, he has been instrumental in advancing renewable energy projects across Australia. With a background in investment banking and a strong track record in capital markets, Simon's expertise will be invaluable as Atlantic Tin continues to progress its strategic initiatives and unlock the full potential of its tin assets.</p>

9.3 Atlantic Tin securities and share rights on issue

As at the date of this Target's Statement, the securities and share rights in Atlantic Tin on issue are as follows:

CLASS	NUMBER
Shares	401,861,257 ¹
Employee Share Rights	4,626,473 ^{1,2}

Notes

- Subject to the Bidder achieving Effective Control during the Offer Period:
 - 2,061,843 unvested Employee Share Rights will vest and be converted into ATL Shares; and
 - 2,837,648 ATL Shares will be issued under the STI Programs,
 so that, subject to section 617 of the Corporations Act, they may be accepted into the Offer before it closes. Resulting in total Shares on issue of 406,760,748.
- Subject to the Bidder achieving Effective Control, all remaining unvested Employee Share Rights will be cancelled.

9.4 Substantial holders

The substantial holders of Shares as at the date of this document are:

SUBSTANTIAL HOLDER	NUMBER OF SHARES	VOTING POWER
Pala Investments	290,396,539	72.26%

9.5 Atlantic Tin Projects

(a) Achmmach

The Achmmach tin deposit is located about 40km southwest of the city of Meknes in northern Morocco. The project has an estimated resource of 39.1 Mt @ 0.55% Sn containing a total of 213,000 tons of tin metal as shown in Table 1.

Classification	MTonnes	Sn %	Sn kt
Measured	2.1	0.85	18.1
Indicated	25.8	0.61	157.7
Inferred	11.2	0.33	37.5
Total	39.1	0.55	213.3

Table 1. Achmmach Tin Project Resource Estimate as at 18 July 2024⁹

⁹ Some numerical differences may occur due to rounding. Reported above 0.26% tin. For full details, please refer to the media release on 4 Nov 2024 at <https://www.atlanticin.com.au/pdf/585610db-f1dc-42b1-9902-24903bc9f130/Achmmach-Tin-Project-Resource-Update.pdf>. ATL confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. ATL confirms that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

In May 2024 a scoping study was completed which examined the benefits of combining the Achmmach mine with the nearby El Hammam processing facility owned by SAMINE. The scoping study demonstrates the integrated project to be a low-cost, long-life producer of clean and high-grade tin concentrate.

On 5 August 2024, Atlantic Tin completed the acquisition of SAMINE, from Managem S.A. SAMINE owns the past producing El Hammam mine, including its infrastructure and tenements, located adjacent to the Achmmach Tin Project near Meknes, Morocco. SAMINE was acquired by Atlantic Tin's 100% owned Moroccan subsidiary, Titan Tin.

The El Hammam mine is located 7km away from Achmmach. A feasibility study is now underway to study using the upgraded SAMINE processing plant to process the ore from Achmmach.

(b) **Bou El Jaj**

The Bou El Jaj Tin Project (**BLJ**) is a significant tin target that is approximately 8 km directly to the southwest of the Achmmach Tin Project and 15 km by road.

BLJ lies in the southernmost extension of a mineralized corridor that is approximately 2.5 to 3km wide and nearly 10km long in strike, running from Achmmach.

Unlike Achmmach, BLJ has a strong surface geochemical signature for tin. Outcropping tin mineralization is evident within prospective tourmaline altered rocks.

9.6 Recent business activities of Atlantic Tin

(a) **Mining License**

In January 2022, the mining license of the Achmmach Tin Project (license d'exploitation No.332912) was successfully renewed for a further 10-year period to 17 January 2032.

(b) **Environmental and Social Impact Assessment**

The Environmental and Social Impact Assessment (ESIA) for the Achmmach Tin Project was completed in 2014 and renewed in 2019.

The ESIA for both Achmmach and SAMINE are currently being amended to reflect the revised planned project layout incorporating the processing at SAMINE rather than Achmmach.

(c) **Exploration activities¹⁰**

Licence LE 343180 was acquired in August 2024 as part of the acquisition of SAMINE. Geological mapping on the SAMINE license has defined five, northeast striking zones of outcropping tin mineralisation totalling 1,100m in length and averaging 20m in width (Figures 1, 2 and 3).

¹⁰ Refer to ATL's announcement dated 6 August 2024 at <https://www.atlantictin.com.au/pdf/3b48439a-54a4-4d16-acfb-56ee51bbf59d/Atlantic-Tin-completes-the-Acquisition-of-Samine.pdf>. ATL confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement.

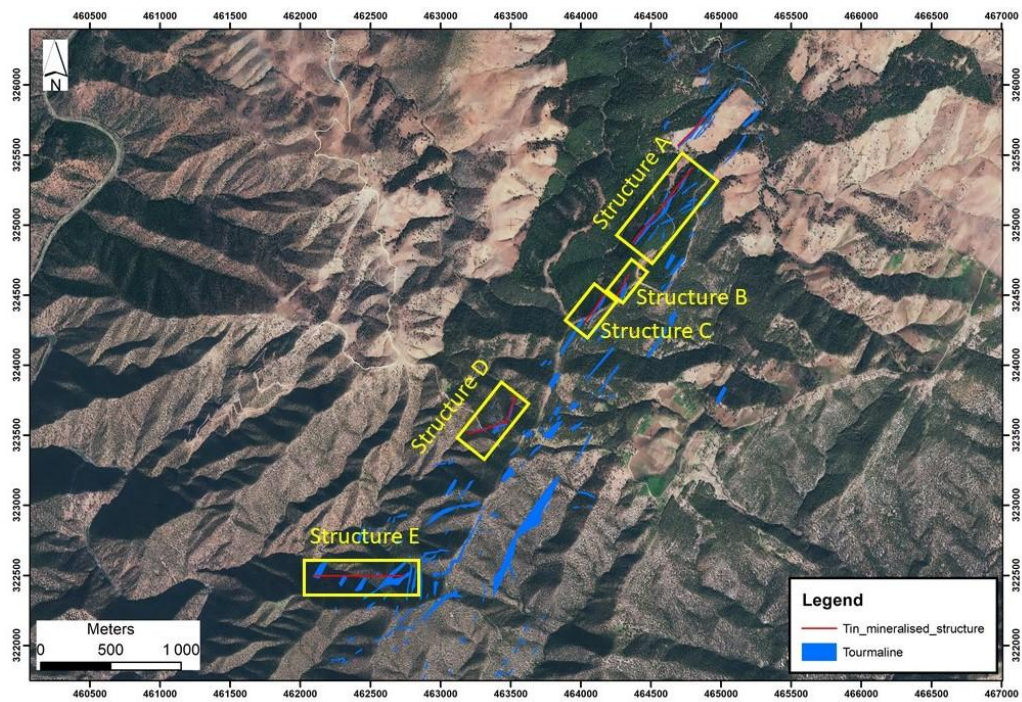


Figure 1. Map showing tourmaline alteration in blue and tin mineralisation in red



Figure 2. Outcropping tin mineralisation at SAMINE

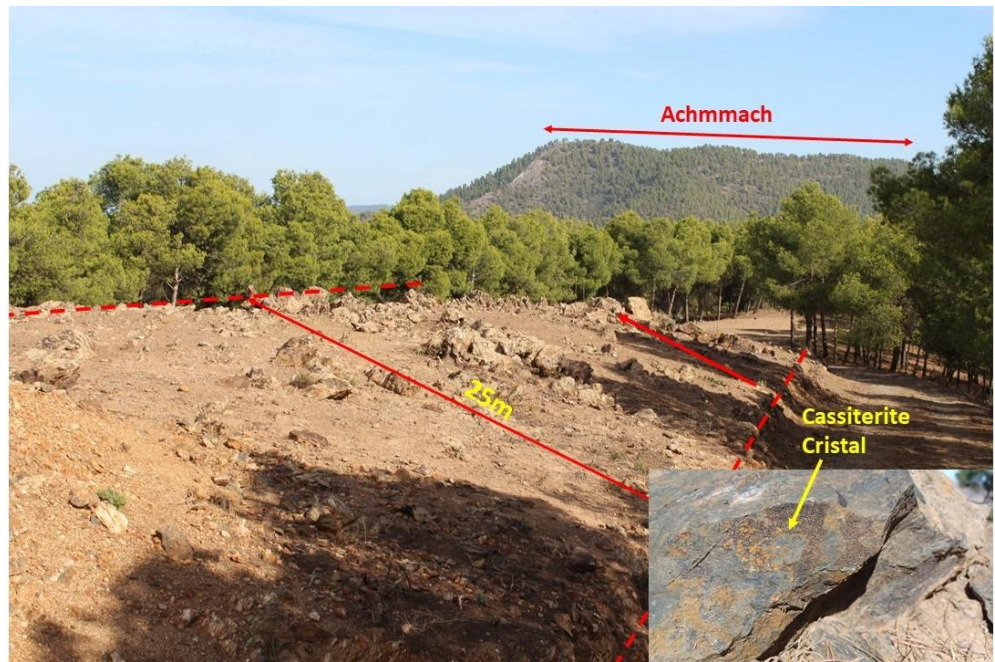


Figure 3. Outcropping tin mineralisation at SAMINE with Achmmach in the background

Exploration work undertaken to date consists of detailed geological mapping, soil sampling and rock chip sampling along the full prospective strike length of the SAMINE license which is located between Achmmach and Bou El Jaj. This extends the strike length of the mineralised corridor to approximately 10km (Figure 4).

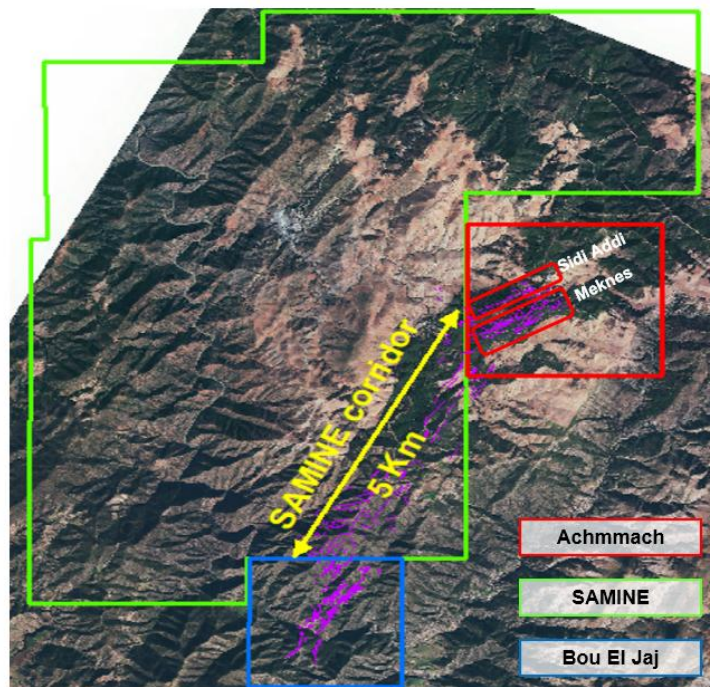


Figure 4. Map of Achmmach – SAMINE – Bou El Jaj mineralised corridor

The mineralisation at SAMINE is similar to Achmmach, being hosted predominantly within tourmaline altered sandstones and mudstones. Visible cassiterite (tin oxide) was noted in many outcrops with crystals up to 1mm in size being evident.

9.7 Historical financial information

The income statement, balance sheet and statement of cash flows information set out below for Atlantic Tin is extracted from the audited consolidated financial statements of Atlantic Tin for the years ended 30 June 2023 and 30 June 2024 and the reviewed consolidated financial statements of Atlantic Tin for the half year ended 31 December 2024.

The financial information has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, and the Corporations Act. The financial information also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial information presented in the tables below does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements.

Shareholders may view complete copies of the audited consolidated financial statements of Atlantic Tin on the Atlantic Tin website www.atlantictin.com.au.

Atlantic Tin income statement

FOR THE PERIOD ENDED A\$	HALF YEAR	FULL YEAR	
	31-DEC-24	30-JUN-24	30-JUN-23
Revenue	907,913	-	-
Cost of goods sold	(1,132,852)	-	-
Gross loss	(224,939)	-	-
Interest income	2,155	4,319	3,249
Other income	14,891	6,071	-
Exploration and evaluation expenditure	(987,901)	(1,468,470)	(966,230)
Business development expenditure	(86,833)	(767,737)	(192,729)
Accounting and corporate fees	(1,205,102)	(927,311)	(300,508)
Employee benefit expenses	(977,023)	(963,353)	(276,730)
Share based payment expense	(726,687)	(480,772)	(549,284)
Administration expenses	(216,635)	(751,354)	(336,491)
Occupancy expenses	(33,370)	(18,258)	(16,718)
Depreciation	(6,148)	(10,123)	(8,840)
Non-recoverable Moroccan VAT expense	(313,948)	(514,375)	(141,207)
Foreign exchange	225,214	(67,834)	10,069
Finance costs	(2,014,301)	(767,982)	(243,902)
Loss before income tax	(6,550,627)	(6,727,179)	(3,019,321)
Income tax expense	-	-	-
Loss after income tax expense for the period	(6,550,627)	(6,727,179)	(3,019,321)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation	271,841	(11,181)	260,068

FOR THE PERIOD ENDED A\$	HALF YEAR	FULL YEAR	
	31-DEC-24	30-JUN-24	30-JUN-23
difference on foreign operations			
Other comprehensive income/(loss)	271,841	(11,181)	260,068
Total comprehensive loss for the period	(6,278,786)	(6,738,360)	(2,759,253)
Loss for the period is attributable to: Non-controlling interest	(493,624)	(763,684)	(231,957)
Owners of Atlantic Tin Limited	(6,057,003)	(5,963,495)	(2,787,364)
	(6,550,627)	(6,727,179)	(3,019,321)
Total comprehensive loss for the period is attributable to: Non-controlling interest	(270,175)	(765,590)	(191,573)
Owners of Atlantic Tin Limited	(6,008,611)	(5,972,770)	(2,567,680)
	(6,278,786)	(6,738,360)	(2,759,253)

Historical balance sheet

A\$	31-DEC-24	30-JUN-24	30-JUN-23
CURRENT ASSETS			
Cash and cash equivalents	7,249,887	1,181,668	475,067
Trade and other receivables	572,645	38,659	293,773
Prepayments	222,140	107,660	87,168
Inventories	374,344	-	-
TOTAL CURRENT ASSETS	8,419,016	1,327,987	856,008
NON-CURRENT ASSETS			
Non-current assets classified as held for sale	1	1	1
Plant and equipment	3,666,893	26,784	29,648
Exploration and evaluation expenditure	6,647,076	6,250,095	6,260,129
TOTAL NON-CURRENT ASSETS	10,313,970	6,276,808	6,289,778
TOTAL ASSETS	18,732,986	7,604,867	7,145,786
CURRENT LIABILITIES			
Trade and other payables	1,988,359	1,068,488	335,644
Shareholder loans	336,582	7,890,447	1,666,225
Deferred consideration	2,030,625	-	-
Provisions	251,789	54,312	133,762
TOTAL CURRENT LIABILITIES	4,607,355	9,013,247	2,135,631
NON-CURRENT LIABILITIES			
Deferred consideration	1,109,627	-	-
Royalty Funding Liability	6,601,879	-	-

A\$	31-DEC-24	30-JUN-24	30-JUN-23
Provisions	587,691	-	-
Shareholder loans	-	-	1,054,307
TOTAL NON-CURRENT LIABILITIES	8,299,197	-	1,054,307
TOTAL LIABILITIES	12,906,552	9,013,247	3,189,938
NET ASSETS/(LIABILITIES)	5,826,434	(1,408,380)	3,955,848
EQUITY			
Issued capital	100,063,267	86,771,724	86,198,999
Reserves	26,080,142	25,809,693	25,803,259
Accumulated losses	(120,651,638)	(114,594,635)	(108,639,719)
Equity attributable to owners of Atlantic Tin Limited	5,491,771	(2,013,218)	3,362,539
Non-controlling interests	334,663	604,838	593,309
TOTAL EQUITY	5,826,434	(1,408,380)	3,955,848

Historical statement of cash flows

FOR THE PERIOD ENDED A\$	HALF YEAR	FULL YEAR	
	31-DEC-24	30-JUN-24	30-JUN-23
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	1,464,301	-	-
Payments to suppliers and employees (inclusive of GST)	(3,558,666)	(3,032,146)	(1,164,482)
Payments for exploration and evaluation	(1,074,734)	(1,564,362)	(774,866)
Interest received	805	4,319	3,249
Interest paid and other finance costs	(185,683)	(357,006)	-
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(3,353,977)	(4,949,195)	(1,936,099)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment	-	(7,258)	(4,564)
Cash acquired from acquisition of SAMINE	172,334	-	-
Payments for acquisition of SAMINE	(840,950)	-	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(668,616)	(7,258)	(4,564)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	2,199,390	4,775,858	1,537,720
Proceeds from issue of shares to Apex, net cost	1,408,913		
Proceeds from royalty funding liabilities	6,601,879		
Proceeds from non-controlling interest	-	993,156	230,684
NET CASH INFLOW FROM FINANCING ACTIVITIES	10,210,182	5,769,014	1,768,404

FOR THE PERIOD ENDED A\$	HALF YEAR	FULL YEAR	
	31-DEC-24	30-JUN-24	30-JUN-23
NET INCREASE/(DECREASE) IN CASH HELD	6,187,589	812,561	(172,259)
Cash at the beginning of the period	1,181,668	475,067	852,144
Effects of exchange rate changes on cash and cash equivalents	(119,370)	(105,960)	(204,818)
Cash at the end of the period	7,249,887	1,181,668	475,067

The information in this Section 9.7 has been adapted from:

- (a) ATL's Annual Report for the year ended 30 June 2023 dated 31 October 2023;
- (b) ATL's Annual Report for the year ended 30 June 2024 dated 30 September 2024; and
- (c) ATL's Half Year Report for the six months ended 31 December 2024 dated 15 March 2025.

9.8 Further information

Further information about Atlantic Tin is available at the Atlantic Tin website www.atlantictin.com.au.

10. INFORMATION ABOUT XINGYE AND THE BIDDER

10.1 Disclaimer

The following information about Xingye and the Bidder is based on publicly available information, including information in the Bidder's Statement, and has not been independently verified by Atlantic Tin. Atlantic Tin does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

The information on Xingye and the Bidder in this Target's Statement should not be considered comprehensive.

10.2 Key information about the Bidder

The Bidder is a private limited company that was incorporated in Hong Kong. As at the date of this Target's Statement, the sole director of the Bidder is Fan Hansheng.

The Bidder is a wholly owned subsidiary of Xingye.

10.3 Key information about Xingye

Xingye is a public limited company incorporated in the People's Republic of China and listed on the Shenzhen Stock Exchange (000426.SZ).

As at the date of this Target's Statement, the directors of Xingye are:

- (a) XingYe Ji;
- (b) Xiang Ji;
- (c) ShuCheng Zhang;
- (d) Yong Dong;
- (e) Kai Sun;
- (f) Xudong Zhang;
- (g) Wubo Li;
- (h) Xianjun Zhou; and
- (i) Shichao Zhang.

10.4 Principal activities of the Xingye Group

The Xingye Group operates a large-scale mining enterprise engaged in the exploration, development and production of metallic mineral resources.

As a major silver and tin producer in China, the Xingye Group has a relatively complete industrial mining chain including the exploration, reserve, development, smelting of non-ferrous metal resources and non-ferrous metal trading.

Further information on Xingye Group can be found at www.xyyxmining.com.

10.5 The intentions of Xingye and the Bidder

The intentions of Xingye and the Bidder in relation to the continuation of or any major changes to the business of Atlantic Tin (including any redeployment of the fixed assets of Atlantic Tin), and changes to the future employment of the present employees of Atlantic Tin, depending on the Bidder's Relevant Interest in Atlantic Tin given acceptances under the Offer, are set out in section 6 of the Bidder's Statement.

11. RISK FACTORS

11.1 Introduction

In considering the Offer, Shareholders should be aware that there are a number of risk factors associated with either accepting the Offer or rejecting the Offer and continuing to hold Shares.

In deciding whether to accept the Offer, Shareholders should read this Target's Statement and the Bidder's Statement carefully and consider these risks. Some of the risks associated with remaining as a shareholder in Atlantic Tin are outside the control of the ATL Board and cannot be mitigated.

The risks set out in this Section 11 do not take into account the individual investment objectives, financial situation, position or particular needs of Shareholders.

In addition, these risks are general in nature only and do not cover every risk that may be associated with an investment in Atlantic Tin now or in the future. The risk factors set out in this Section 11 are not an exhaustive list of all risks. There may also be additional risks and uncertainties not currently known to Atlantic Tin, or which are currently known to Atlantic Tin but which Atlantic Tin currently considers to be immaterial, which may adversely affect Atlantic Tin's operating and financial performance and the price or value of Atlantic Tin.

11.2 Risks associated with accepting the Offer

There are risks associated with accepting the Offer, including those described in this Section 11.2 of this Target's Statement.

(a) Possibility of superior proposal emerging

A third party with a superior proposal may emerge (although the Directors can give no assurances that this will occur). The emergence of a superior proposal is currently considered unlikely, given engagement with a number of potential counterparties prior to ATL entering into the Bid Implementation Deed, and given the existence of the Call Option.

By accepting the Offer, you will not be able to accept any superior proposal that may be made by a competing bidder, unless the Offer is still conditional, and you withdraw your acceptance. As such, you may not be able to obtain any potential benefit associated with any such superior proposal.

(b) Possible appreciation of Shares in the future

You may be able to sell your Shares in the future for more valuable consideration than the Offer of A\$0.24 per Share (although the Directors can give no assurances and make no forecast of whether this will occur).

(c) You will cease to enjoy the benefits of being a Shareholder

If you accept the Offer and the conditions of the Offer are satisfied or waived, you will cease to enjoy the benefits of being a Shareholder, such as enjoying any increase in the value of Shares.

(d) Taxation consequences of accepting the Offer

The taxation consequences of disposing of your Shares pursuant to the Offer depend on a number of factors and your particular circumstances. A general outline of certain Australian tax considerations of such a disposal is set out in Section 12 of this Target's Statement. You should seek your own specific professional tax advice as to the taxation implications applicable to your circumstances.

11.3 Risks associated with rejecting the Offer and continuing as a Shareholder

(a) Risks associated with being a minority shareholder in Atlantic Tin

(i) Funding requirements

There are inherent risks in continuing to own ATL Shares, particularly concerning ATL's near-term capital needs. Given ATL's historical operating losses, its ability to continue as a going concern is primarily dependent on securing additional debt or equity financing.

Atlantic Tin's business is capital intensive and will require significant additional capital to satisfy ATL's near-term objectives, including further exploration activities at the recently acquired SAMINE tenements, completion of the definitive feasibility study for ATL's flagship asset, the Achmmach Tin Project, and the subsequent development thereof.

Significant funding is required to take Achmmach into production, which, if available at all, could be highly dilutive to Shareholders or available on terms that make economic returns unattractive in comparison to the immediate liquidity presented by the Offer. The Offer presents an opportunity for Shareholders to realise value while avoiding exposure to a variety of risks including, among others, project development and operational risks, regulatory, and economic risks inherent in their shareholding.

(ii) Low levels of liquidity

As ATL is an unlisted entity, and the Shares do not trade on-market, the Shares have low levels of liquidity. If any Shareholders continue as minority Shareholders following completion of the Offer, they may be unable to identify parties to acquire all or any part of their Shares at a price equal to or greater than the Offer Price offered by the Bidder or at all.

In the absence of the Offer, or an alternative proposal, there are no plans for a near term liquidity event, or for the Shares to be listed on a recognised stock exchange.

If the Bidder holds more than 50% of the Shares in ATL, it should be noted that Xingye would have majority control of ATL and its Projects, and as an operating mining company, may be considered unlikely to wish to pursue a liquidity event for the Shares it does not control.

(b) Risks specific to an investment in Atlantic Tin

There are a number of risks specific to Atlantic Tin which may impact Atlantic Tin's future prospects and the market price of Shares, including risks that are beyond Atlantic Tin's control. An overview of the material business risks facing Atlantic Tin is set out below. Further information about Atlantic Tin's risk identification and management processes can be found in Atlantic Tin's 2024 Annual Report available at Atlantic Tin's website:

(i) Key personnel

In formulating its exploration programs, feasibility studies and development strategies, the ATL Group relies to a significant extent upon the experience and expertise of the directors and management. A number of key personnel are important to attaining the business goals of the ATL Group. One or more of these key employees could leave their employment, and this may adversely affect the ability of the ATL Group to conduct its business and, accordingly, affect the financial performance of the ATL Group and its share price. Recruiting and retaining qualified personnel is important to the ATL Group's success. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong.

(ii) **Future capital raisings**

The ATL Group's ongoing activities will require substantial further financing in the future. ATL will require additional funding in order to develop the Achmmach Tin Project into a commercial operation. Any additional equity financing may be dilutive to shareholders, may be undertaken at lower prices than the Offer price and debt financing, if available, may involve restrictive covenants which limit the ATL Group's operations and business strategy. Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the ATL Group or at all.

(iii) **Going concern risk**

If the ATL Group is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on the ATL Group's activities and could affect the ATL Group's ability to continue as a going concern.

(iv) **Exploration risk**

The success of the ATL Group depends on the delineation of economically mineable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the ATL Group's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Exploration on the ATL Group's existing tenements may be unsuccessful, resulting in a reduction in the value of those tenements, diminution in the cash reserves of the ATL Group and possible relinquishment of the tenements. The exploration costs of the ATL Group are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions.

Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the ATL Group's viability. If the level of operating expenditure required is higher than expected, the financial position of ATL may be adversely affected. The ATL Group may also experience unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

(v) **Feasibility and development risks**

It may not always be possible for the ATL Group to exploit successful discoveries which may be made in areas in which the ATL Group has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as the ATL Group's. There is a complex, multidisciplinary process underway to complete a definitive feasibility study to support any development proposal. There is a risk that the definitive feasibility study and associated technical works will not achieve the results expected. There is also a risk that, even if a positive definitive feasibility study is produced, the Achmmach Tin Project may not be successfully developed for commercial or financial reasons, or that operational results will match those set out in the definitive feasibility study. It should be specifically noted that currently, only a scoping study has been published for the Achmmach Tin Project, which is not a

definitive feasibility study, and as such any projections set out therein carry significantly higher risk.

(vi) **Resource estimation risk**

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. These estimates were appropriate when made but may change significantly when new information becomes available. There are risks associated with such estimates. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect the ATL Group's future plans and ultimately its financial performance and value. Tin price fluctuations, as well as increased production costs or reduced throughput and/or recovery rates, may render resources containing relatively lower grades uneconomic and may materially affect resource estimations.

(vii) **Regulatory risk**

The ATL Group's operations are subject to various Moroccan, Commonwealth, State and Territory and local laws and plans, including those relating to mining, prospecting, development permit and licence requirements, industrial relations, environment, land use, royalties, water, native title and cultural heritage, mine safety and occupational health. Approvals, licences and permits required to comply with such rules are subject to the discretion of the applicable government officials.

No assurance can be given that the ATL Group will be successful in maintaining such authorisations in full force and effect without modification or revocation. To the extent such approvals are required and not retained or obtained in a timely manner or at all, the ATL Group may be limited or prohibited from continuing or proceeding with production and exploration. The ATL Group's business and results of operations could be adversely affected if applications lodged for exploration licences are not granted. Mining and exploration tenements are subject to periodic renewal. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the ATL Group.

(viii) **Environmental risk**

The operations and activities of the ATL Group are subject to the environmental laws and regulations of Morocco. As with most exploration projects and mining operations, the ATL Group's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The ATL Group attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. The ATL Group is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the ATL Group's cost of doing business or affect its operations in any area. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the ATL Group to incur significant expenses and undertake significant investments which could have a material adverse effect on the ATL Group's business, financial condition and performance.

(ix) **Climate change risk**

The operations and activities of the ATL Group are subject to changes to local or international compliance regulations related to climate change mitigation efforts, specific taxation or penalties for carbon emissions or environmental damage, and other possible restraints on industry that may further impact the ATL Group and its profitability. While the ATL Group will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the ATL Group will not be impacted by these occurrences. Climate change may also cause certain physical and environmental risks that cannot be predicted by the ATL Group, including events such as increased severity of weather patterns, incidence of extreme weather events and longer-term physical risks such as shifting climate pattern.

(x) **Macro-economic risk**

The operations and activities of the ATL Group are exposed to a number of global external factors, including macro-economic risks affecting profitability and business continuity. Specifically, hyper-inflation and political risks in Morocco, increasing interest rates, ongoing disruptions to logistics and significant fluctuations in foreign exchange. While the ATL Group has limited direct controls over these issues, continued oversight is essential to ensuring the ongoing operations and activities of the ATL Group.

(xi) **Foreign currency risk**

Foreign exchange risks arise when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the entity's functional currency. The ATL Group is primarily exposed to the fluctuations in the US dollar and the Moroccan Dirham, as the ATL Group upholds Moroccan Dirham bank deposits and much of the ATL Group's exploration costs and contracts are denominated in US dollars and Moroccan Dirhams. The ATL Group aims to reduce and manage its foreign exchange risk by holding Moroccan Dirhams bank accounts so that the exchange rate is crystallised early and future fluctuations in rates for settlement of Morocco Dirham denominated payables are avoided. The ATL Group also hold \$A bank accounts which have foreign currency settlement capability at real time rates. The ATL Group does not currently undertake any hedging of foreign currency items, however as the ATL Group's operations develop and expand, more sophisticated foreign exchange risk strategies may be considered.

(xii) **Commodity risk**

Atlantic Tin's possible future revenues, based on its existing assets, will be from sale of tin. Consequently, Atlantic Tin's performance will be dependent on the prevailing commodity prices. Fluctuations in the market price of tin could have a material impact on both the value of Atlantic Tin's assets and Atlantic Tin's Shares. The market price for tin has historically been volatile and may continue to fluctuate significantly over time. The tin market, while relatively small compared to other base metals, can experience significant price fluctuations due to supply disruptions, demand shifts, and speculative trading. Global tin supply originates from a few key regions, particularly Southeast Asia (Indonesia, Myanmar, and China). This concentration makes the market vulnerable to supply disruptions caused by, and not limited to, geopolitical instability, regulatory changes, and mine disruptions. Tin's primary use is in solders for electronics makes it susceptible to fluctuations in the electronics industry. Furthermore, economic downturns or shifts in consumer demand can impact tin consumption.

(c) **General risk factors**

The future prospects and performance of Atlantic Tin and the value of Shares are affected by a wide variety of factors, including:

- (i) general economic conditions (in particular in Morocco, which forms Atlantic Tin's core geography where the balance of Atlantic Tin's business is based) including interest and inflation rates, exchange rates and commodity prices;
- (ii) changes to government policy (including fiscal, monetary, taxation, employment and environmental policies), legislation, regulation or accounting policy;
- (iii) the nature of markets, including end-markets, in which Atlantic Tin operates, across its countries of operation (such markets are cyclical and affected by various macroeconomic, geopolitical, demographic and regulatory factors and the allocation of timing and government funding for public infrastructure and other building programs);
- (iv) general and operational business risks; and
- (v) natural disasters, pandemics generally, global hostilities, tensions and acts of terrorism.

12. TAXATION CONSIDERATIONS

12.1 Introduction

This Section 12 sets out a general summary of the key Australian income tax, GST and stamp duty consequences that are relevant for certain Australian resident and non-resident Shareholders that accept the Offer. The purpose of the summary is to assist Shareholders understand the potential Australian tax consequences of the disposal of their Shares.

The summary is intended as a general guide and is based on the Australian tax laws, regulations and administrative practices in effect as at the date of this Target's Statement. Shareholders should be aware that any changes (with either prospective or retrospective effect) to the Australian tax laws, regulations or administrative practices may affect the taxation treatment to the Shareholders as described in this summary.

This summary is not intended to be an authoritative or complete statement of the law applicable to the particular circumstances of every Shareholder and is not intended to be advice and should not be relied on as such. The actual tax consequences arising to Shareholders may vary depending on their specific profile, characteristics and circumstances. Accordingly, Shareholders should obtain independent professional advice in relation to their own particular circumstances and should not rely upon the comments set out in this summary.

The Australian tax consequences outlined below are relevant to Shareholders who are individuals, companies, trusts and complying superannuation funds that hold their Shares on capital account for Australian income tax purposes.

This summary does not consider the Australian tax consequences for Shareholders who:

- (a) hold their Shares as trading stock, as part of a profit-making undertaking or scheme, under an arrangement which qualifies as an employee share or rights plan for Australian tax purposes, or otherwise on revenue account;
- (b) may be subject to special rules, such as banks, insurance companies, tax exempt organisations, certain trusts, superannuation funds (unless otherwise stated) or dealers in securities;
- (c) are 'temporary residents' as that term is defined in section 995-1(1) of the *Income Tax Assessment Act 1997* (Cth);
- (d) change their tax residence whilst holding Shares;
- (e) are non-residents for Australian tax purposes and who hold their Shares as an asset of a permanent establishment in Australia;
- (f) are non-residents for Australian tax purposes who, together with their associates, hold 10% or more of the shares in Atlantic Tin at the time of disposal or who held 10% or more of the issued shares in Atlantic Tin throughout a period of 12 months within the last two years;
- (g) are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their Shares; or
- (h) are subject to the Investment Manager Regime under Division 842 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their Shares.

Any persons who may be subject to tax in any jurisdiction outside Australia should obtain independent professional advice on their particular circumstances.

12.2 Shareholders that are Australian residents for tax purposes - Australian income tax consequences arising on disposal of Shares

(a) Capital gains tax

A capital gains tax (**CGT**) event will happen to Shareholders that dispose of their Shares pursuant to the Offer. Where a Shareholder accepts the Offer, the CGT event should happen at the time when the Shareholder enters into the contract to dispose of the Shares.

In the event that Shares are compulsorily acquired by the Bidder, the time of the CGT event should be the time at which the Shares are acquired by the Bidder.

(b) **Calculation of capital gain or capital loss**

Shareholders should make a capital gain from the disposal of their Shares to the extent that the capital proceeds received exceed the cost base of their Shares. Conversely, Shareholders should make a capital loss to the extent that the reduced cost base of their Shares exceeds the capital proceeds received.

(c) **Capital proceeds**

The capital proceeds from the disposal of the Shares should be the Offer price of A\$0.24 per Share.

(d) **Cost base**

Generally, the cost base or reduced cost base of a Shareholder's Shares should broadly equal the money they paid or were required to pay to acquire the Shares plus any non-deductible incidental costs incurred in acquiring or disposing of the Shares.

(e) **CGT discount**

Shareholders that are individuals, trusts or complying superannuation entities may be able to obtain discount capital gains treatment to reduce any capital gain made in respect of the disposal of the Shares if those Shares have been held for more than 12 months before the CGT event. The CGT discount is one half in the case of an individual or trust, or one third in the case of a complying superannuation entity. No CGT discount is available for companies.

Shareholders who are trustees of a trust should obtain independent professional tax advice in respect of the availability of discount capital gains treatment in respect of distributions to beneficiaries attributable to capital gains in light of their particular circumstances.

(f) **Net capital gain or net capital loss**

Any capital gain or capital loss made in respect of the disposal of Shares should be aggregated with any other capital gains the Shareholder may have in that income year. Any available capital losses of the Shareholder may then be applied against the total capital gains for the income year. Any resulting net capital loss may be carried forward and offset against future taxable capital gains (subject to satisfying any applicable loss recoupment rules). Any resulting capital gain (after offsetting any available capital losses) should be reduced by any applicable CGT discount and the remaining net capital gain (if any) should be included in the Shareholder's assessable income.

Shareholders should seek independent professional tax advice on the Australian tax consequences arising from the disposal of their Shares having regard to their particular circumstances.

12.3 Shareholders that are non-residents of Australia for tax purposes

(a) **Australian income tax consequences arising on disposal of Shares**

Shareholders that are non-residents of Australia and who, together with associates, have always held less than 10% of the issued shares in Atlantic Tin, should be able to disregard a capital gain or capital loss arising from the disposal of their Shares as the Shares should not constitute 'taxable Australian property'.

Shareholders that are non-residents of Australia (particularly those who, together with associates, hold a 10% or more of the issued shares in Atlantic Tin at the time of disposal or throughout a period of 12 months within the two years before the disposal) should seek independent professional advice on the Australian tax consequences arising from the disposal of their Shares having regard to their particular circumstances.

(b) **Foreign resident capital gains withholding tax**

Foreign resident capital gains withholding tax applies to a transaction involving the acquisition of the ownership of an asset that is an Australian indirect real property interest from a 'relevant foreign resident'.

Under the Australian foreign resident capital gains withholding tax rules, the Bidder, as the purchaser of Shares, is required to assess whether Shareholders are a 'relevant foreign resident' and whether the Shares represent indirect Australian real property interests.

The Bidder may treat a Shareholder as not being a 'relevant foreign resident' if they give a clearance certificate, give a residency or interests declaration (also known as a vendor declaration).

Shareholders that are non-residents of Australia and who, together with associates, have always held less than 10% of the issued shares in Atlantic Tin, should not be subject to the foreign resident capital gains withholding tax regime on the basis that their Shares should not be considered 'indirect Australian real property interests'.

Shareholders should seek independent professional tax advice on the Australian tax implications of the foreign resident capital gains withholding tax regime and the making of a foreign resident capital gains withholding tax declaration.

12.4 GST

GST should not be payable on the disposal of the Shares under the Offer.

Shareholders should seek their own independent tax advice on the impact of GST having regard to their own particular circumstances.

12.5 Stamp duty

Shareholders should not be liable for any stamp duty on the disposal of their Shares.

13. ADDITIONAL INFORMATION

13.1 Material litigation

As at the date of this Target's Statement, Atlantic Tin is not involved in any litigation or disputes which are material in the context of Atlantic Tin and its Subsidiaries taken as a whole.

13.2 Transaction costs

Transaction costs are expected to be in line with usual costs for a transaction such as the Offer. If, as a result of the Offer, the Bidder acquires Effective Control and there is no alternative proposal, transaction costs, primarily comprising advisory fees and legal costs, are expected to be in the order of A\$2.8 million. ATL intends to fund the payment of transaction costs by draw down of funds under the Loan Facility Agreement.

13.3 Consents

The following parties have each given, and have not withdrawn before the lodgement of this Target's Statement with ASIC, written consent to be named in this Target's Statement in the form of the context in which they are so named.

NAME	ROLE
Steinepreis Paganin	Legal adviser to ATL
MUFG	Share registry
Xingye	Parent company of the Bidder
Bidder	Bidder in the Offer

Each of these parties have not caused or authorised the issue of this Target's Statement, does not make or purport to make any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based and takes no responsibility for any part of this Target's Statement other than any reference to its name and to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding and takes no responsibility for any part of this Target's Statement, other than a reference to its name.

This Target's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC. Under the terms of *ASIC Corporations (Takeover Bids) Instrument 2023/683*, the parties making those statements are not required to, and have not consented to, the inclusion of those statements in this Target's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements (free of charge) during the Offer Period, please call the Offer information line on 1300 737 760 (for calls made from within Australia) or +61 2 9290 9600 (for calls made from outside Australia) between 8:30 am and 5:00 pm (AEST) Monday to Friday (excluding public holidays).

Copies of documents (or relevant parts of which) will be provided within 2 Business Days' upon request.

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

- (a) which fairly represent what purports to be a statement by an official person; or
- (b) which are a correct and fair copy of, or extract from, what purports to be a public official document; or
- (c) which are a correct and fair copy of, or extract from, a statement which has already been published in a book, journal or comparable publication.

In addition, as permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this Target's Statement includes trading data sourced from IRESS provided without consent.

13.4 No other material information

This Target's Statement is required to include all the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, but:

- (a) only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and
- (b) only if the information is known to any Atlantic Tin Director.

The Directors are of the opinion that the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer is:

- (a) the information set out in the Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);
- (b) the information set out in the documents lodged by Atlantic Tin with ASIC before the date of this Target's Statement; and
- (c) the information set out in this Target's Statement.

The Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement, in particular in Section 3.4). However, the Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all statements provided in it.

In deciding what information should be included in this Target's Statement, the Directors have had regard to:

- (a) the nature of the Shares;
- (b) the matters that Shareholders may reasonably be expected to know;
- (c) the fact that certain matters may reasonably be expected to be known to Shareholders' professional advisers; and
- (d) the time available to Atlantic Tin to prepare this Target's Statement.

14. GLOSSARY

The meanings of the terms used in this Target's Statement are set out below.

TERM	MEANING
\$ or A\$	Australian dollar(s).
Acceptance Form	The form of acceptance and transfer accompanying the Bidder's Statement.
AEST	Australian Eastern Standard Time.
Achmmach or Achmmach Tin Project	ATL's 75% interest in the Achmmach tin project located near Meknes, Morocco developed in conjunction with ATL's joint venture partners Toyota Tsusho Corp (20%) and Nittetsu Mining Co (5%).
Announcement Date	1 May 2025, being the date of announcement of the Offer.
Approved Activities List	The list of key activities of the ATL Group in the agreed form under the Bid Implementation Deed.
Approved Budget	The cash flow forecast and budget for the ATL Group in the agreed form under the Bid Implementation Deed.
ASIC	The Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.
Atlantic Tin or ATL	Atlantic Tin Ltd (ACN 116 931 705).
ATL Board	The board of directors of ATL.
ATL Group	ATL and its Subsidiaries and ATL Group Member means any of them.
Atlas Tin	Means Atlas Tin SAS incorporated in Morocco and registered in the trade register of Rabat under number 68263.
Bid	Means an off-market takeover bid by the Bidder for all ATL Shares, in accordance with Chapter 6 of the Corporations Act and the Bidder's Statement.
Bid Implementation Deed	The bid implementation deed dated 30 April 2025 between Xingye and ATL in relation to the Offer.
Bidder	Xingye Gold (Hong Kong) Mining Company Limited, being a wholly owned subsidiary of Xingye.
Bidder's Statement	The bidder's statement of the Bidder dated 19 May 2025.
Business Day	A day other than a Saturday, Sunday, public or bank holiday in any of Sydney, New South Wales, Perth, Western Australia and Chifeng, Inner Mongolia.
Call Option	Has the meaning given in Section 2.
CGT	Capital gains tax.
Control	Has the meaning given to it in section 50AA of the Corporations Act.
Consent Contract	Means a Material Contract.
Consent Counterparty	Means a Third Party that has a right to: <ul style="list-style-type: none"> (a) terminate, cancel or rescind a Consent Contract or any part of it, or suspend performance of its obligations under that Consent Contract or any part of it; (b) vary, amend or modify a Consent Contract;

TERM	MEANING
	<p>(c) exercise, enforce or accelerate any right under a Consent Contract (including rights of pre-emption); or</p> <p>(d) benefit from the operations of a provision which automatically terminates, varies, amends or modifies a Consent Contract,</p> <p>as a direct or indirect result of:</p> <p>(e) Bidder announcing or making the Offer;</p> <p>(f) Bidder acquiring a Relevant Interest in any Shares or any number or percentage of them;</p> <p>(g) Bidder acquiring Effective Control;</p> <p>(h) any of the directors of the ATL Group making a recommendation in relation to the Offer; or</p> <p>(i) any actual or proposed change in, or change in Control of, ATL.</p>
Corporations Act	The <i>Corporations Act 2001</i> (Cth) (as modified or varied by ASIC).
Director	A director of ATL.
Effective Control	The acquisition by the Bidder of a Relevant Interest in more than 90% of the Shares (or more than 50% of Shares if the Condition in paragraph (a) of schedule 3 of the Bid Implementation Deed has been waived in accordance with clause 2.8 of the Bid Implementation Deed) in circumstances where all of the conditions of the Offer have been satisfied or waived.
Employee Share Rights	The share option rights granted under ATL's Employee Incentive Securities Plan adopted 27 June 2024.
End Date	<p>Means the earliest of:</p> <p>(a) the termination of the Bid Implementation Deed in accordance with its terms; and</p> <p>(b) one month after the end of the Offer Period, or such later date as Xingye and ATL agree in writing.</p>
Exclusivity Period	<p>Means the period commencing on the date of this document and ending at the earlier of:</p> <p>(a) the End Date; or</p> <p>(b) the end of the Offer Period or such earlier date as the Bid lapses or is withdrawn.</p>
Fairly Disclosed	Means, in relation to the disclosure of information contained in a particular source or place, that sufficient information has been disclosed in that source or place, prior to the date of this document so as to enable a sophisticated investor with experience in transactions of the nature of the Bid and familiar with a business similar to that of the business carried on by ATL and Xingye (as applicable), would be aware of the substance and significance of the relevant information.
Financial Indebtedness	<p>Means any debt or other monetary liability (whether actual or contingent) together with all interest, fees and penalties accrued thereon, in respect of monies borrowed or raised or any financial accommodation including under or in respect of any:</p> <p>(a) interest or non-interest bearing loan or other financing liability or obligation, including an overdraft or any other liability in the nature of borrowed money (whether secured or unsecured);</p> <p>(b) bill, bond, debenture, note or similar instrument;</p>

TERM	MEANING
	<p>(c) acceptance, endorsement or discounting arrangement;</p> <p>(d) Guarantee;</p> <p>(e) finance or capital lease;</p> <p>(f) agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or service;</p> <p>(g) redeemable share or security;</p> <p>(h) obligation to deliver goods or provide services paid for in advance by any financier or debt factoring or receivables financing arrangement;</p> <p>(i) royalty arrangement; or</p> <p>(j) Guarantee in respect of any of the above.</p>
GST	Goods and services tax.
Guarantee	<p>Means a guarantee, indemnity, letter of credit, performance bond, acceptance or endorsement, or legally enforceable undertaking or obligation:</p> <p>(a) to pay or to provide funds (including by the purchase of any property) in respect of;</p> <p>(b) to enable payment or discharge of;</p> <p>(c) to indemnify against the consequences of default in the payment of; or</p> <p>(d) to be otherwise responsible for,</p> <p>an obligation of another person (whether or not it involves the payment of money), or otherwise to be responsible for the solvency or financial condition of another person.</p>
IBC	The Independent Board Committee, comprising of the Board, excluding Stephen Gill, as voting members of the committee and Simon Milroy and Michael Norris as non-voting members of the committee.
Incurred	Means an agreement, arrangement or understanding concerning payment by the ATL Group of an amount has arisen.
Joint Venture Agreement	Means the shareholders agreement dated 14 April 2014 between ATL, Toyota Tsusho Corporation and Nittetsu Mining Co and Atlas Tin.
Loan Conversion Deed	Means the loan conversion deed dated on or about 12 November 2024 between ATL and Pala.
Loan Facility Agreement	Means the loan facility agreement dated 30 May 2024 between Pala and ATL (as amended from time to time).
Material Adverse Change	<p>Means a Specified Event which, either individually or when aggregated with any other Specified Events, has, has had, or is reasonably likely to have a material adverse effect on:</p> <p>(a) the status or terms of any material approvals, licences, tenements or permits issued by any Regulatory Authority to any entity within the ATL Group; or</p> <p>(b) the business, assets, liabilities, financial position or prospects of the ATL Group taken as a whole,</p> <p>but does not include:</p> <p>(c) expenditure Fairly Disclosed in the Approved Budget or Incurred in relation to the Approved Activities List;</p>

TERM	MEANING
	<p>(d) ATL Incurring or paying Transaction Costs;</p> <p>(e) ATL Incurring Financial Indebtedness in accordance with or otherwise as permitted by the Bid Implementation Deed;</p> <p>(f) anything that has been Fairly Disclosed in the Virtual Data Room or in public filings by ATL with ASIC (and which would be disclosed in a search of ASIC's publicly available records), or which otherwise has been Fairly Disclosed to or is actually known by Monique Tang before the date of the Bid Implementation Deed;</p> <p>(g) anything required or expressly permitted by the Bid Implementation Deed, the Bid, the Termination Deed or the transactions contemplated by any of them;</p> <p>(h) anything that is required by any legal or contractual obligation (whether arising before or after the date of the Bid Implementation Deed) which has been Fairly Disclosed in writing to Xingye or its Representatives prior to the date of the Bid Implementation Deed (including, without limitation, in relation to the transfer of the Tamlalt Licence to Sahara Exploration SARLAU);</p> <p>(i) anything relating to changes in general economic, political or business conditions including global resource prices or security markets which impact ATL and its competitors in substantially the same manner;</p> <p>(j) anything referred to in section 10.7(i) of the Bidder's Statement;</p> <p>(k) anything arising as a result of any applicable change in law, regulation, accounting;</p> <p>(l) standards or principles or governmental policy, or the interpretation of any of them; or</p> <p>(m) anything occurring with the written consent of Xingye.</p>
Material Contract	<p>Means:</p> <p>(a) the Joint Venture Agreement;</p> <p>(b) the Loan Conversion Deed; and</p> <p>(c) a contract or a commitment, excluding employment agreements between ATL Group Members and any of their employees, which is material to the conduct of the ATL Group's business in the context of the ATL Group as a whole requiring total payments by, or providing revenue to, a party in excess of \$100,000 per annum.</p>
MOFCOM	The Ministry of Commerce of the People's Republic of China.
MUFG	MUFG Investor Services.
NDRC	The National Development and Reform Commission of the People's Republic of China.
NED Share Rights	The share rights granted under ATL's share rights plan dated 24 November 2017.
Offer	The offer by the Bidder for the Shares, on the terms set out in section 10 of the Bidder's Statement.
Offer Period	Has the meaning given in Section 8.4.
Offer Price	A\$0.24 per Share.

TERM	MEANING
Outstanding Facility Amount	Has the meaning given to that term under the Loan Facility Agreement.
Pala	Pala Investments Limited (Jersey Company Number: 94738).
Pala Loan Repayment	Means the payment of the Outstanding Facility Amount by Xingye to Pala in accordance with the Termination Deed.
Projects	Means the resource exploration, mining, development and processing operations and infrastructure of the ATL Group including: <ul style="list-style-type: none"> (a) at the sites known as Achmmach (operating licence LE332912), SAMINE (operating licence LE343180) and Bou El Jaj (operating licence LE333172 and LE333313) located in Khemisset and El Hajeb provinces in Morocco; and (b) the areas the subject of the Tamlalt Licence (operating licence number 323295) covering an area in the municipality of Bouanane in Morocco.
Register Date	12 May 2025, being the date set by the Bidder under section 633(2) of the Corporations Act.
Regulatory Authority	Means: <ul style="list-style-type: none"> (a) ASIC or the Takeovers Panel; (b) a government or governmental, quasi-governmental, quasi-regulatory or judicial entity or authority (whether in Australia, the People's Republic of China, Morocco or elsewhere); (c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; (d) each of: <ul style="list-style-type: none"> (i) MOFCOM; (ii) NDRC; (iii) SAFE, and (e) China Securities Regulatory Commission; (f) the Shenzhen Stock Exchange; or (g) any other regulatory organisation established under statute.
Related Body Corporate	Has the meaning given to that term in section 50 of the Corporations Act but, in the case, of the ATL Group excludes each of Pala and its group entities.
Relevant Interest	Has the meaning it has in sections 608 and 609 of the Corporations Act.
Rights	Means all accretions, rights or benefits of whatever kind attaching to or arising from ATL Shares directly or indirectly after the Announcement Date, including any capital returns, all dividends and all rights to receive them and rights to receive or subscribe for shares, notes, bonds, options or other securities, or financial products or entitlements declared, paid or issued by, or determined to be paid or issued by, ATL.
SAFE	The State Administration of Foreign Exchange of the People's Republic of China.
Section	Means a section of this Target's Statement.

TERM	MEANING
Share	A fully paid ordinary share in the capital of ATL.
Shareholder	A registered holder of Shares in ATL.
Special Exertion Fee	Has the meaning given in section 3.7(b).
Specified Event	Means an event, occurrence or matter that: <ul style="list-style-type: none"> (a) occurs after the date of the Bidder's Statement; (b) occurs before the date of the Bidder's Statement but is only announced or publicly disclosed after the date of the Bidder's Statement; or (c) will or is reasonably likely to occur after the date of the Bidder's Statement and which has not been announced or publicly disclosed prior to the date of the Bidder's Statement.
STI Programs	The programs for short term incentives established by ATL for the benefit of the ATL Group employees.
Subsidiary	Has the meaning given to that term in section 46 of the Corporations Act.
Takeovers Panel	Means the body of that name continued in existence under section 261 of the Australian Securities and Investments Commission Act 2001 (Cth) as the primary forum for resolving disputes about takeovers.
Tamlalt Licence	Means operating licence number 323295 covering an area in the municipality of Bouanane in Morocco.
Target Prescribed Occurrence	Means any of the events set out in sections 652C(1) and 652C(2) of the Corporations Act.
Target's Statement	This Target's Statement, prepared by Atlantic Tin under Part 6.5 Division 3 of the Corporations Act in response to the Offer.
Termination Deed	The deed dated 30 April 2025 between Xingye, Pala and ATL.
Third Party	Means any person other than Xingye or any of its Related Bodies Corporate.
Transaction Costs	Means all outstanding third-party costs, fees and expenses Incurred or committed (or to be Incurred or committed) (whether invoiced or not) by the ATL Group in relation to the Bid and the transactions contemplated by the Bid: <ul style="list-style-type: none"> (a) before the date of the Bid Implementation Deed; and (b) from the date of the Bid Implementation Deed until (and including) the end of the Offer Period.
Virtual Data Room	Means the virtual data room titled "Project Viper" established by ATL for the purposes of providing information to Bidder for the Bidder's investigations.
Voting Power	Has the meaning given in section 610 of the Corporations Act.
Xingye	Means Inner Mongolia Xingye Silver & Tin Mining Co., Ltd (000426.SZ).
Xingye Group	Means Xingye and each of its Related Bodies Corporate, including the Bidder.

15. AUTHORISATION

This Target's Statement has been approved by a resolution passed by the directors of ATL.
All ATL Directors voted in favour of that resolution.

16. CORPORATE DIRECTORY**Directors**

Stephen Gill
Non-executive Chair

Stephen Withnell
Non-executive Director

Maha Daoudi
Non-executive Director

Adam Strauss
Non-executive Director

Simon Kidston
Non-executive Director

Executive Management

Simon Milroy
Chief Executive Officer

Andy Cardoso
Project General Manager

Michael Norris
Chief Financial Officer

Joint Company Secretaries

Michael Norris

Mathew Watkins

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**This entity is included for information purposes only. It has not been involved in the preparation of this Target's Statement.*