IDA Will Not Accept the Forrestania Offer

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IDA's 11.04% stake prevents compulsory acquisition under the current Offer

IDA Metal Investments Pty Limited (**IDA**) holds 11.04% in Zenith Minerals Limited and confirms it will not accept Forrestania Resources Limited's Takeover Offer (**Offer**).

Its holding is sufficient to prevent Forrestania reaching the 90% compulsory acquisition threshold.

Key points:

- IDA holds 71,706,049 shares in Zenith Minerals Limited, representing approximately 11.04% of its issued capital, and will not accept Forrestania's Offer of one Forrestania share for every 4.3 Zenith shares.
- IDA funded Zenith to undertake the drilling needed to evaluate and advance the Dulcie Gold Project. The Board has failed to prove the asset to a mine-ready standard. Dulcie requires substantially more drilling and technical work.
- IDA will not exchange its direct interest in Zenith and Dulcie for Forrestania paper, given Forrestania's large shareholder dilution and the risks it believes are inherent in its strategy. No Independent Expert's Report has been provided to allay those concerns despite repeated requests.
- The Takeovers Panel found unacceptable circumstances. The question now is whether that finding will have any practical consequence.

Background to IDA's involvement

IDA Metal Investments Pty Limited is the investment arm of Aurenne Group Holdings Pty Limited. Aurenne is a privately owned Western Australian gold mining and investment group with experience spanning exploration, resource definition, mine development, construction and operations. Its principal operating asset is the Mt Ida Gold Project, and the group also holds strategic interests in the Southern Cross region.

Aurenne owns tenements directly neighbouring Zenith's ground, including the Dulcie North area, together with its Parker Range assets. It has both the operational experience and the local knowledge to assess what Zenith has achieved at Dulcie. It is also able to evaluate the Offer made to Zenith shareholders using its knowledge of the Southern Cross area and its operational experience establishing a start-up operation at Mt Ida.

IDA invested in Zenith to fund the drilling needed to assess, define and advance Dulcie. The deposit required substantial drilling then and still requires it before mineable production can be seriously contemplated.

IDA believes the capital was not well deployed and yielded a drilling campaign that produced underwhelming results and failed to answer fundamental questions about scale, grade continuity, mine design and development economics.

On those results, Aurenne did not consider Dulcie sufficiently advanced or compelling to combine with its developed Parker Range assets. As such it declined to submit a competing offer. That does not mean Dulcie lacks potential. It means Zenith has failed to do the work needed to demonstrate it.

IDA does not want Forrestania paper

IDA's decision is not primarily about the value once attributed to the Offer.

The central issue is simple: IDA does not wish to become an investor in Forrestania.

Accepting the Offer would exchange IDA's direct exposure to Zenith's assets for a high-risk strategy involving extensive historical equity issuance, an unproven operating strategy and elevated execution risk. To date, no Independent Expert's Report has been provided that would allow IDA or other Zenith shareholders to test those concerns independently.

IDA sees no reason to make that exchange and nothing that it has seen through the extensive Takeover Panel review causes it to change that view. In coming to its decision IDA considered the following matters as key investment risks.

IDA's Evaluation of the Forrestania Scrip Offer

1 Repeated reliance on issuing shares

Aurenne was a seller of the North Iron Cap Project which was one of the first projects acquired by Forrestania.

Since then the paper issue has been relentless.

Between June 2025 and 16 October 2026, Forrestania issued approximately 2.15 billion additional shares, increasing its issued capital by 692% by acquiring a range of disparate assets.

Issuing shares does not itself create value. Where shares are issued freely, investors typically require clear evidence that acquisitions and operations are generating results before accepting more paper.

That level of issuance materially increases investment risk. In the absence of demonstrated operating results and value creation management assurances are not sufficient to overcome IDA's concerns.

2 An unproven hub and spoke strategy

A hub-and-spoke strategy only works where each mill has sufficient, reliable and economic ore. Forrestania has yet to demonstrate that foundation. There is no Independent Expert's Report from the Zenith Board to address that key concern. Several proposed ore sources are substantial distances from its processing infrastructure, making haulage costs, scheduling, grade control and reliability critical to the economics.

Aurenne currently evaluates haulage rates for its operations at A$0.20 per tonne per kilometre. Transporting ore 250 km costs A$50 per tonne, or A$50 million annually for one million tonnes. At A$5,000 per ounce and 90% recovery, 1 g/t ore generates approximately A$145 per tonne in recovered gold revenue. Haulage alone consumes about 35%, before mining, processing, royalties and other costs. These are illustrative assumptions, not Forrestania's disclosed costs.

Forrestania must substantiate the delivered margin for each ore source with actual results, using realistic diluted grades, recoveries, haulage rates, distances and processing costs. A mill and scattered deposits alone do not demonstrate an economically viable operating strategy.

Dulcie illustrates the problem. It is not shovel-ready, remains years from being sufficiently defined for mining and cannot be treated as established mill feed.

3 The price and execution risk of Edna May

Aurenne reviewed the Edna May project but declined to make an offer.

Public information identifies the mill is currently located too close to the pit: the remaining pit resources cannot be accessed without relocating it. Public records also identify the ore is low grade and does not support an economic underground alternative. Access requires a further pit cutback and mill relocation, bringing substantial capital and execution risk. Pit dewatering, power reliability and environmental constraints have been recorded historic problems.

In considering the Offer, Zenith shareholders were denied an Independent Experts Report to evaluate the impact of the Edna May acquisition. IDA repeatedly appealed to the Takeovers Panel that one was required for the market to be fairly informed given the scale of the project. Those appeals were denied leaving IDA to evaluate the proposal on information available. IDA was left to conclude that in its opinion the price paid was high and exposed Zenith shareholders to significant risks from construction of two processing plants from an effective start up position.

These risks were not identified when the Offer was first made as the Edna May transaction was not announced.

Aurenne understands from its experience that establishing one milling solution from start-up is challenging – establishing two can only be described as brave. The Zenith directors provided shareholders with almost no guidance on the impact of the Edna May transaction and repeatedly declined the requests to provide the much needed Independent Experts Report, in arriving at their recommendation to support the Offer.

4 Concerns about Corporate Governance

The use of share placements for operational contractor services can easily lead to conflicts of interest. The recently announced placing to Campbell Transport and arrangements surrounding the Aurumin acquisition undermine IDA's confidence in Board governance.

Regulation must have Meaningful Consequence

The Takeovers Panel has already declared unacceptable circumstances. IDA calls on the relevant authorities to ensure that finding has real consequences. Regulation that identifies unacceptable conduct but allows those involved to retain its commercial benefits is no deterrent.

The Zenith directors' conduct demonstrates why accountability matters. The chronology released by the Panel shows that the Board approved 22 million Performance Rights for its three directors whilst in active discussions about a sale of the company. The timing, approval and subsequent change-of-control treatment of those rights demand proper scrutiny. A regulatory finding without a remedy proportionate to the conduct will do nothing to deter its repetition.

Regulation without consequence is ineffective. If findings of unacceptable conduct leave the transaction and its benefits substantially untouched, the regulatory process will have failed its primary function. The conduct of the Offer made for Zenith raises fundamental questions about the role of regulation.

IDA's position

IDA remains willing to support the proper evaluation and development of Zenith's assets.

The absence of an Independent Expert's Report on the Offer remains the single most valuable piece of missing information for shareholders. In its absence IDA will not exchange its Zenith shares for Forrestania paper on terms that undervalue Zenith and expose shareholders to dilution, execution risk and unresolved governance concerns.

IDA will not accept the current Offer. By retaining its 71,706,049 Zenith shares, IDA can prevent Forrestania from reaching the 90% compulsory acquisition threshold under the Offer as presently constituted.

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Media enquiries

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About Aurenne Group

IDA is a passive investment arm of Aurenne Group.

Aurenne is a privately owned company whose assets include the Mt Ida Gold Project in Western Australia. Since commencing operations here in May 2023, it has expanded processing plant capacity to 2.5 million tonnes per annum. Following an extensive exploration programme over the past 18 months, the plant is now fully committed for a mine life exceeding 10 years, with the operation producing more than 100,000 ounces of gold annually.

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