

COPY

THIS IS AN IMPORTANT DOCUMENT.  
IF YOU ARE IN ANY DOUBT AS TO ANY ASPECT OF THE OFFER, YOU SHOULD CONSULT  
A MEMBER OF THE NEW ZEALAND STOCK EXCHANGE, AUSTRALIAN STOCK EXCHANGE  
OR A FINANCIAL OR LEGAL ADVISOR IMMEDIATELY.



**FULL OFFER BY**

**NORMANDY NFM LIMITED**

**(Trading as Newmont NFM)**

ABN 39 007 688 093

to acquire equity securities in

**OTTER GOLD MINES LIMITED**

ARBN 003 082 773

NZ Reg Co No. AK80281

**TO ACCEPT THIS OFFER SEE PAGE 4**

If you have sold all your shares or options  
in Otter Gold Mines Limited, you should immediately  
hand this Offer document and the accompanying  
Acceptance Form to the purchaser, or to the member of the  
New Zealand Stock Exchange, Australian Stock Exchange Limited  
or other agent through whom the sale was made,  
to be passed to the purchaser.

**THIS OFFER CLOSING AT MIDNIGHT ON MONDAY 10 FEBRUARY 2003  
(UNLESS EXTENDED IN ACCORDANCE WITH THE TAKEOVERS CODE)**

## CONTENTS

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Chairman's Letter .....	1
Summary of Offer & How to Accept .....	2
Offer Terms	
1. Offer .....	3
2. Consideration .....	3
3. How to Accept the Offer .....	4
4. Terms .....	6
5. Settlement .....	7
6. Notices .....	7
7. Change of Circumstances .....	7
8. Tax Considerations .....	8
9. Further Information .....	9
10. Miscellaneous .....	9
Certificate .....	10
Glossary & Interpretation .....	11
Appendix A	
– Information required by Schedule 1 to the Takeovers Code .....	12
Appendix B	
– Report of Grant Samuel .....	17
Corporate Directory .....	inside back cover
Acceptance Form .....	separate

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## CONTACT DETAILS

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If you have any questions or require further information please contact:

### Shareholder Queries

National Shareholder Services  
100 Hutt Street, Adelaide 5000, South Australia, Australia  
Tel: + 61 8 8232 0003 Fax: + 61 8 8232 0072

### All Other Queries

Nicola Frazer  
Manager - Investor Relations  
100 Hutt Street, Adelaide 5000, South Australia, Australia  
Tel: + 61 8 8303 1756 Fax: + 61 8 8303 1904

**or**

Robert Greenslade  
Vice President Newmont Capital  
100 Hutt Street, Adelaide 5000, South Australia, Australia  
Tel: + 61 8 8303 1772 Fax: + 61 8 8303 1904

E-mail: [investor@newmont.com.au](mailto:investor@newmont.com.au) Website: <http://www.newmont.com.au>

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ABN 39 007 588 093 Trading as:  
**Newmont NFM**  
100 Hutt Street, Adelaide, 5000  
South Australia, Australia  
Telephone + 61 8 8303 1700  
Facsimile + 61 8 8303 1900  
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9 January 2003

### **Dear Otter Shareholders and Optionholders**

On 4 December 2002 Normandy NFM Limited (trading as Newmont NFM) ("NFM") announced its intention to bid for the remainder of Otter's issued shares and options which it does not already own. NFM owned 89.17% of Otter's issued shares on the date of its announcement. On 20 December 2002, a takeover notice was sent to Otter and the New Zealand Takeovers Panel in accordance with the New Zealand Takeovers Code.

Enclosed with this letter is the formal offer document relating to the bid, together with a report by Grant Samuel & Associates Limited which concludes that the offer for the options is fair and reasonable in comparison with the offer made for the Otter ordinary shares. The offer is now open for your acceptance and will close on Monday 10 February 2003 (unless extended in accordance with the Takeovers Code).

The offer from NFM is for cash of A\$0.28 per share for shares, and A\$0.01 for every 100 options.

The price offered is consistent with the market price for Otter shares, which have traded in a reasonably small range since the close of NFM's last offer in April 2002 up until the date of the announcement of this offer. In the last three months prior to the announcement of this offer, Otter has traded between A\$0.25 and A\$0.31 per share on the Australian Stock Exchange ("ASX") with an average of A\$0.27. A total of 173,143 Otter shares traded during this period on the ASX, worth approximately A\$47,000. Immediately preceding the announcement of this offer, Otter Shares last traded at A\$0.28 on 3 December. The listing of Otter on the New Zealand Stock Exchange ("NZSE") ceased on 1 November 2002. The price at which Otter shares last traded on the NZSE was NZ\$0.29 on 1 November 2002, equivalent to A\$0.25 based on an AUD/NZD exchange rate of 1.14 on that day.

As reported in Otter's 2002 annual report, the company remains in a difficult financial position with negative equity.

NFM's objective, having already acquired 89.17%, remains to acquire sufficient additional shares to move to compulsory acquisition and conclude the logical consolidation of both companies' respective interests in the Tanami region of Australia.

Acceptance of the offer affords you an opportunity to realise, at a market price, your investment in Otter which has become a very illiquid stock and faces an uncertain financial future.

I encourage you to accept the enclosed offer.

Yours faithfully  
**Normandy NFM Limited**

A handwritten signature in black ink, appearing to read "Bruce D Kay". The signature is stylized with a large, looping initial "B" and a long, horizontal stroke extending to the right.

**Bruce D Kay**  
*Chairman*

## SUMMARY OF OFFER

On 4 December 2002 NFM announced that it would make a full offer under the New Zealand Takeovers Code for all of the issued shares and options in Otter Gold Mines Limited not already held by NFM. On 20 December 2002, a takeover notice was sent to Otter and the New Zealand Takeovers Panel in accordance with the New Zealand Takeovers Code. The key terms of the Offer are:

### Offer Price:

- A\$0.28 per Otter Share held; and
- A\$0.01 for every 100 Options held.

### Unconditional Offer:

The Offer is unconditional.

### Scheduled Closing Date:

The Offer closes at midnight on Monday 10 February 2003 (unless extended in accordance with the Takeovers Code).

The detailed terms of the Offer are set out on pages 3 to 9 of this Offer document.

*Words or phrases appearing in this offer document with capitalised initial letters are defined terms and have the meanings set out in the Glossary & Interpretation section at page 11 of this Offer document.*

### How to Accept:

To accept the Offer:

#### EITHER

- Complete and sign the enclosed Acceptance Form; and
- Post the Form in the reply paid envelope provided. If you have misplaced the envelope, post the Form to:

if you live in New Zealand -  
Normandy NFM Limited  
c/- National Shareholder Services Pty Limited  
PO Box 9111  
Newmarket, Auckland  
New Zealand

OR

if you live in Australia –  
Normandy NFM Limited  
c/- National Shareholder Services Pty Limited  
PO Box 7156  
Hutt Street, Adelaide 5000  
South Australia, Australia

#### OR

If your Otter Shares or Options are held in a CHESS Holding:

You can also instruct your stockbroker to accept the Offer on your behalf. Alternatively, if you do not wish to contact your stockbroker (or wish to avail yourself of the option to receive the consideration in New Zealand dollars, and are eligible to do so in accordance with the terms of the Offer), simply complete the details on the enclosed Acceptance Form, sign in the place provided and return it to one of the above addresses. This will authorise NFM on your behalf to instruct your stockbroker to accept the Offer.

### IMPORTANT

**ACCEPTANCES MUST BE POSTED ON OR BEFORE 10 FEBRUARY 2003  
(SUBJECT TO PARAGRAPH 3.5 OF THIS OFFER)**

**IF YOU HAVE LOST YOUR ACCEPTANCE FORM, OR IF YOU HAVE ANY OTHER  
QUESTIONS ON HOW TO ACCEPT, PLEASE CONTACT NFM INVESTOR RELATIONS AT  
THE ADDRESS SET OUT IN THE DIRECTORY AT THE BACK OF THIS BOOKLET**

## **OFFER TERMS**

### **FULL OFFER BY NORMANDY NFM LIMITED TO PURCHASE SHARES AND OPTIONS IN OTTER GOLD MINES LIMITED**

**To: The Shareholders and Optionholders of Otter Gold Mines Limited**

#### **1 OFFER**

- 1.1 NFM offers to acquire all of the Otter Shares (being all voting securities in Otter) and Options which it does not already hold.
- 1.2 The Offer is dated 9 January 2003 and remains open for acceptance until midnight on 10 February 2003. NFM may extend the Offer, subject to the provisions of the Takeovers Code.
- 1.3 The Offer is unconditional and is made on the terms set out in this Offer document and on the terms contained in the Takeovers Code (except to the extent that the terms contained in the Takeovers Code are, where permitted by the Takeovers Code, varied by the Offer).

#### **2 CONSIDERATION**

- 2.1 The consideration offered:
  - (a) to each Shareholder is A\$0.28 for each Otter Share held; and
  - (b) to each Optionholder is A\$0.01 for every 100 Options held.
- 2.2 Cheques for the consideration for the Offer will be sent to Shareholders and Optionholders whose Otter Shares or Options are taken up under the Offer not later than 7 days after the date on which an acceptance and all other supporting documentation required pursuant to the Offer is received.
- 2.3 If your address in the Otter share register or register of Optionholders is a New Zealand address and you accept the Offer in respect of all or some of your Otter Shares or Options, the consideration payable under the Offer for those Otter Shares or Options will be paid in either Australian dollars or New Zealand dollars, at your election. If you elect to be paid in New Zealand dollars, the relevant consideration will be converted from Australian dollars at the New Zealand/Australia Daily Statistical Release exchange rate published by the Reserve Bank of Australia on its website at 4.00pm two business days prior to the date of payment.
- 2.4 Foreign Shareholders or Foreign Optionholders who, at the time of acceptance of the Offer, are:
  - (a) a resident of Iraq or an Iraqi Government authority or agency;
  - (b) certain persons identified as supporters of the former government of the Federal Republic of Yugoslavia, the Taliban (Islamic Emirate of Afghanistan) or the Al-Qaeda Organisation;
  - (c) UNITA (National Union for the Total Independence of Angola) and/or its senior officials and their family members; or
  - (d) a person or entity named in lists published pursuant to the Charter of the United Nations (Anti-Terrorism) Measures Regulations 2001,will not be entitled to receive any cash payment under the Offer until all requisite authorities and clearances of the Reserve Bank of Australia have been obtained by NFM.
- 2.5 If the consideration for the Offer is not sent within the period specified in paragraph 2.2 to any Shareholder or Optionholder who has accepted the Offer (apart from by reason of a failure to obtain authorisations or clearances in accordance with paragraph 2.4), that Shareholder or Optionholder may withdraw acceptance of the Offer in respect of their respective Otter Shares or Options:
  - (a) by notice in writing to NFM; but only
  - (b) after the expiration of 7 days' written notice to NFM of that Shareholder's or Optionholder's intention to do so.

This right to withdraw acceptance of the Offer will not apply if the Shareholder or Optionholder receives the consideration during the 7 day period referred to in this paragraph.

### **3 HOW TO ACCEPT THE OFFER**

This Offer document should be accompanied by all relevant Acceptance Forms which relate to your Otter Shares and/or Options. If you think your Acceptance Forms are not correct, please contact NFM (all contact details are in the directory at the back of this booklet).

#### **3.1 Otter Shares or Options registered in New Zealand**

If your Otter Shares or Options are registered in New Zealand and you wish to accept the Offer, complete the enclosed Acceptance Form (New Zealand) (White) in accordance with the instructions set out on the Form and post the completed Acceptance Form (together with the relevant share certificate and option certificate, if any) in the enclosed reply paid envelope as soon as possible, but in any event prior to midnight on the Closing Date. If the reply paid envelope has been mislaid and you are a New Zealand resident, please post your acceptance to:

Normandy NFM Limited  
c/- National Shareholder Services Pty Limited  
PO Box 9111  
Newmarket, Auckland  
New Zealand

If the reply paid envelope has been mislaid and you are an Australian resident, please post your acceptance to:

Normandy NFM Limited  
C/- National Shareholder Services Pty Limited  
PO Box 7156  
Hutt Street, Adelaide 5000  
South Australia, Australia

#### **3.2 Otter Shares or Options registered in Australia**

- (a) If your Otter Shares or Options are registered in Australia in an Issuer Sponsored Holding and you wish to accept the Offer, you should complete the Acceptance Form (Australia) (Yellow) enclosed with the Offer, in accordance with the instructions set out on the Form. Your Shares or Options are in an Issuer Sponsored Holding if you have an Issuer Sponsored Holding statement issued by Otter's Australian registry. Please post the Form in the enclosed reply paid envelope as soon as possible, but in any event prior to midnight on the Closing Date. If the reply paid envelope has been mislaid and you are an Australian resident, please post your acceptance to:

Normandy NFM Limited  
c/- National Shareholder Services Pty Ltd  
PO Box 7156  
Hutt Street, Adelaide 5000  
South Australia, Australia

If the reply paid envelope has been mislaid and you are a New Zealand resident, please post your acceptance to:

Normandy NFM Limited  
C/- National Shareholder Services Pty Limited  
PO Box 9111  
Newmarket, Auckland  
New Zealand

- (b) If your Otter Shares or Options are registered in Australia in a CHESS Holding, you may either:

- contact your stockbroker to arrange acceptance of the Offer; or
- complete the enclosed Acceptance Form (Australia) (Yellow) in accordance with the instructions set out on the Form and return it in the same manner as provided in paragraph 3.2(a). This will authorise NFM to instruct your stockbroker to initiate acceptance of the Offer on your behalf.

Your Otter Shares or Options are in a CHESS Holding if you have a CHESS Holding statement issued by ASX Settlement and Transfer Corporation Pty Ltd. By instructing your stockbroker to arrange acceptance for your Otter Shares or Options you shall be deemed to have agreed to and accepted the terms set out in this Offer document and on the Acceptance Form (Australia) (Yellow) enclosed with this Offer document and, where relevant, elected to receive your consideration for acceptance of the Offer in Australian dollars. Your stockbroker must comply with the SCH Business Rules in order to validly accept the Offer. If your address in the Otter share register or register of Optionholders is a New Zealand address, and your holding of Otter Shares or Options is in a CHESS Holding, and you wish to elect to receive your consideration in New Zealand dollars, then follow the procedure outlined in the second bullet point in this paragraph 3.2(b), being sure to elect payment of the consideration in New Zealand dollars in Section 2 of the Form.

### **3.3 Foreign Shareholders/ Optionholders**

If your address in the Otter Share register or register of Optionholders is shown as a place other than in Australia and its external territories or New Zealand, then you should follow the instructions above in this paragraph 3 relevant to where your Otter Shares or Options are registered. You will not have a reply paid envelope enclosed, but should post your Acceptance Form by air mail prior to midnight on the Closing Date, to:

Normandy NFM Limited  
c/- National Shareholder Services Pty Ltd  
PO Box 7156  
Hutt Street, Adelaide 5000  
South Australia, Australia

### **3.4 Option to receive consideration in New Zealand Dollars**

If your address in the Otter share register or register of Optionholders is a New Zealand address, you should elect on the Acceptance Form whether you wish to receive the consideration for acceptance of the Offer in Australian dollars or New Zealand dollars. If you fail to make a selection or if you choose both then you will be deemed to have chosen Australian dollars.

If your address in the Otter share register or register of Optionholders is not a New Zealand address, you cannot elect on the Acceptance Form to receive the consideration for acceptance of the Offer in New Zealand dollars. Your consideration will be paid in Australian dollars.

### **3.5 All Shareholders / Optionholders**

NFM will determine, in its sole discretion, all questions relating to documents, including the validity, eligibility, time of receipt and effectiveness of any acceptance of the Offer. The determination of NFM will be final and binding on all parties.

Acceptance Forms posted before midnight on the Closing Date but received by NFM after that date may be accepted by NFM.

By accepting the Offer in accordance with this Offer document you will be deemed to have:

- (a) granted a Power of Attorney in favour of NFM as follows:

I/we hereby irrevocably authorise and appoint NFM (with power of substitution by NFM in favour of such person/s as NFM may appoint to act on its behalf) as my/our attorney and agent to act for me/us and do all matters of any kind or nature whatsoever in respect of or pertaining to the Otter Shares and/or Options for which I/we have accepted the Offer and all rights and benefits attaching to them as NFM may think proper and expedient and which I/we could lawfully do or cause to be done if personally acting, including the transfer of Otter Shares or Options to any person or persons whatsoever, the appointment of a proxy or proxies for any meeting of the Shareholders or Optionholders of Otter, attendance in person at, and voting at, such meeting, application to any court whatsoever and execution of all documents in my/our name/s which NFM may consider necessary for all or any of the foregoing purposes;

- (b) covenanted to NFM as a condition of the contract formed by acceptance of the Offer, that at the time of acceptance, and the time the transfer of your Otter Shares and/or Options to NFM is registered, all your Otter Shares and/or Options in respect of which you have accepted the Offer are and will be free from all mortgages, charges, liens, encumbrances and adverse interests of any nature, that you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership in those Otter Shares and/or Options to NFM, and that you have paid to Otter all amounts, if any, which at the time of acceptance have fallen due for payment to Otter in respect of those Otter Shares and/or Options;
- (c) agreed to indemnify NFM in respect of any claim or action against it for any loss, damage or liability whatsoever incurred by it as a result of you not producing your SRN or HIN (as applicable) or relevant Share or Option certificates (if any) or in consequence of the transfer of your Otter Shares and/or Options being registered by Otter without production of your SRN or HIN (as applicable) or relevant Share or Option certificates (if any);
- (d) covenanted with NFM (if you cannot find your HIN or SRN, as applicable or Share or Option certificates (if any exist)) that you are the owner of the Otter Shares and/or Options for which you have accepted the Offer and that you have made a proper search for your HIN or SRN, as applicable, or Share or Option certificates (if any) and have been unable to locate that number and/or certificate.

NFM may, in its sole discretion, treat any Acceptance Form as valid notwithstanding that it does not strictly comply with this paragraph 3.5, and may, in its sole discretion, rectify any errors in, or omissions from, any Acceptance Form.

Acceptance of the Offer by you constitutes a contract between you and NFM on the terms of the Offer.

Other than in the circumstances set out in paragraph 2.5 above, you may not withdraw your acceptance during the time the Offer is open for acceptance, whether or not there has been any variation of the Offer.

If you have sold some or all of your Otter Shares or Options, please alter the number of Otter Shares or Options on the relevant Acceptance Form prior to returning the Acceptance Form to NFM. Upon receipt of the amended Acceptance Form, NFM will recalculate the amount of cash comprising your consideration.

## 4 TERMS

The Offer is subject to the following terms:

- 4.1 Unless the Offer is withdrawn in accordance with the Takeovers Code and every person is released from every obligation incurred under the terms of it, the Offer remains open for acceptance until and including the Closing Date, or such later closing date(s) as NFM may decide in accordance with the Takeovers Code.
- 4.2 The relevant Acceptance Forms duly completed may be treated by NFM as a valid acceptance of the Offer whether or not accompanied by the relevant SRN, HIN or Share or Option certificate (if any). A transfer of Otter Shares or Options held in a CHESS Holding in accordance with the SCH Business Rules may be treated by NFM as a valid acceptance of the Offer.
- 4.3 The Offer is open for acceptance by any person who holds Otter Shares or Options, whether acquired before or after the date of the Offer, upon production of satisfactory evidence of such person's entitlement to those Otter Shares or Options. This includes such Otter Shares as are issued upon exercise of an Option prior to the Closing Date.
- 4.4 The Otter Shares and Options are to be acquired free from all liens, charges, mortgages, and encumbrances of any kind whatever, but together with all rights attaching to them, including (in respect of the Otter Shares) the right to all dividends and other distributions arising on or after the date of the Offer.



## **5 SETTLEMENT**

- 5.1 No acknowledgment of the receipt of acceptances of the Offer will be issued.
- 5.2 If:
- 5.2.1 the means of acceptance is in order or deemed to be valid by NFM pursuant to paragraph 3.5; and
- 5.2.2 you are not a Foreign Shareholder or Foreign Optionholder,
- then a cheque for the consideration owed under paragraph 2.1 will be posted in accordance with the authority contained in the Acceptance Form by the date specified in paragraph 2.2.
- 5.3 If you are a Foreign Shareholder or Foreign Optionholder and the means of acceptance is in order or deemed to be valid by NFM pursuant to paragraph 3.5, then the consideration owed under paragraph 2.1 will be posted in accordance with the authority contained in the relevant Acceptance Form by the date specified in paragraph 2.2 but subject to paragraph 2.4.
- 5.4 NFM's obligations under this paragraph 5 in respect of the Otter Shares or Options will be subject to registration of the transfer of the Otter Shares or Options to NFM. NFM will present all Acceptance Forms and relevant supporting documentation to Otter for registration as soon as possible following receipt.

## **6 NOTICES**

- 6.1 Notice to Otter, the Takeovers Panel and the ASX advising that the Offer is withdrawn in accordance with the Takeovers Code will be deemed to be notice to all Shareholders and Optionholders.
- 6.2 Notice of any variation of the Offer will be sent to each Shareholder, Optionholder, Otter and the Takeovers Panel in accordance with the Takeovers Code, and to the ASX.

## **7 CHANGE OF CIRCUMSTANCES**

- 7.1 If, after the date of the Offer, Otter pays any dividends or makes any other distribution to its Shareholders, Acceptors will be bound to pay to NFM an amount equivalent to such dividend or the value of such other distribution.
- 7.2 If, after the date of the Offer, Otter makes any issue of Otter Shares or convertible notes or voting securities or grants any other rights or interests in its shares to Shareholders or Optionholders by way of bonus issue, Acceptors will be bound to transfer such Otter Shares or convertible notes or other rights and interests to NFM, without any additional consideration.
- 7.3 If all or any of the Otter Shares or Options are consolidated or subdivided after the date of the Offer then the Offer will be interpreted to take into account such consolidation or subdivision and will be deemed to be for the securities resulting from such consolidation or subdivision and the consideration per Otter Share and per 100 Options provided for under paragraph 2.1 above will be increased or reduced, as the case may require, in proportion to such consolidation or subdivision, and Acceptors will be bound to transfer such consolidated or subdivided Otter Shares and Options to NFM on the basis of the consideration so increased or reduced.
- 7.4 If Otter makes any issue of securities to any person on or after the date of the Offer other than by way of bonus issue or upon the exercise of any of the Options, then the Offer will be deemed to extend to and include such securities and the consideration payable for them will be as provided in paragraph 2.1 above.

## **8 TAX CONSIDERATIONS**

- 8.1 This summary is not intended to be comprehensive and is based upon NFM's interpretation of income tax legislation currently in force as at the date of this document.
- 8.2 Shareholders and Optionholders should not rely on these comments as advice in relation to their own affairs. The taxation laws are complex and there could be implications in addition to those described below. It is recommended that the Shareholders and Optionholders consult their own tax advisers for advice applicable to their individual needs and circumstances. Neither NFM nor its advisers accept any responsibility for tax implications for any Shareholders or Optionholders.

### **8.3 New Zealand tax implications**

(a) *Disposal of Otter Shares and Options held as a capital investment*

Shareholders and/or Optionholders holding Otter Shares and/or Options as a capital investment will have no New Zealand tax liability on the disposal of their Otter Shares and/or Options.

(b) *Disposal of Otter Shares and Options held as revenue assets*

A Shareholder and/or Optionholder (wherever resident) may be subject to New Zealand income tax on any profit arising on disposal of Otter Shares and/or Options where:

- (i) the Shareholder/Optionholder is in the business of dealing in shares/options; or
- (ii) the Otter Shares/Options were acquired for the purpose of sale or other disposal; or
- (iii) the Otter Shares/Options were part of an undertaking or scheme carried on or carried out that was entered into or devised for the purpose of making a profit.

A non-New Zealand resident Shareholder and/or Optionholder may be able to claim relief from New Zealand income tax on any such profit under a Double Tax Treaty if the profits are not from carrying on a business in New Zealand through a permanent establishment situated in New Zealand.

### **8.4 Australian tax implications**

(a) *Disposal of Otter Shares held as a capital investment*

A disposal of Otter Shares (called a CGT Event) may trigger a taxable capital gain or capital loss for Australian resident shareholders.

A taxable capital gain will only arise for those Australian resident shareholders who acquired or are deemed to have acquired their shares after 19 September 1985. A taxable capital gain arises if there is an excess of the proceeds on disposal over the cost base of the Otter Shares.

Capital gains are generally included in assessable income and taxed at the taxpayer's marginal tax rate. However, there are concessions which apply to individuals and superannuation funds in certain circumstances.

If post 19 September 1985 Otter Shares were acquired before 21 September 1999, an individual or superannuation fund can choose to include in his, her or its taxable capital gain:

- (i) 100% of the net capital gain, calculated as the difference between the proceeds on disposal and the cost base indexed for inflation until 30 September 1999; or
- (ii) in the case of an individual, 50% of the capital gain without any indexation of the cost base; or
- (iii) in the case of a superannuation fund, two-thirds of the capital gain without any indexation of the cost base.

If an individual makes a capital gain from the disposal of Otter Shares acquired after 21 September 1999, and which have been held for 12 months before disposal, the individual will be taxed on 50% of the gain with no indexation applying to the cost base. Similarly, if a superannuation fund meets the same criteria it will be taxed on two-thirds of the gain with no indexation applying to the cost base.

A capital loss will arise if the proceeds on disposal are less than the cost base of the Otter Shares. In calculating a capital loss, the cost base is not indexed for inflation, irrespective of how long the Otter Shares have been held. A capital loss may be offset only against capital gains arising in the same or subsequent years of income.

The disposal of Otter Shares would not have any Australian capital gains tax consequences for non-Australian resident Shareholders.

(b) *Disposal of Otter Shares held as revenue assets*

In certain circumstances, for example, where the Shareholder is in the business of trading in shares or where the Otter Shares were acquired with a dominant purpose of profit-making by sale, Australian resident shareholders may be subject to the general income tax provisions (rather than the capital gains tax provisions) of the tax legislation in respect of profits or losses arising on disposal of their Otter Shares.

A taxable gain will arise if the consideration received by Shareholders exceeds the cost of Otter Shares. A loss will arise where the consideration received is less than the cost of the Otter Shares. Such a loss can be offset against income or capital gains.

Non-Australian resident Shareholders would not be subject to the general income tax provisions unless, in the case of a resident of a country with which Australia has a Double Tax Agreement, they hold the shares through a permanent establishment in Australia or, in the case of residents of other countries, a profit on disposal of their Otter Shares has a source in Australia.

(c) *Disposal of Options*

The disposal of Options will be treated in the same manner as Otter Shares for tax purposes.

## **9 FURTHER INFORMATION**

Further information relating to NFM, as required by Schedule 1 to the Takeovers Code, is set out in Appendix A to, and forms part of, the Offer.

## **10 MISCELLANEOUS**

In this document:

- 10.1 Except if expressly defined in this document, or where the context requires otherwise, terms defined in the Takeovers Code shall have the same meaning in this document.
- 10.2 All sums of money referred to in this Offer are in Australian currency unless otherwise stated.
- 10.3 References to "the Takeover Notice" are to the takeover notice issued in relation to the Offer.
- 10.4 References to time are references to New Zealand time.
- 10.5 The singular includes the plural and vice versa, and words importing one gender include the other genders.
- 10.6 A reference to an enactment or any regulations is a reference to that enactment or those regulations as amended, or to any enactment or regulations substituted for that enactment or those regulations.
- 10.7 This Offer and any contract arising from it shall be governed by and construed in accordance with the laws of New Zealand.

This Offer is dated 9 January 2003

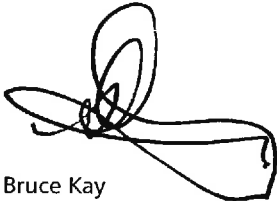


Ken Williams  
Director  
Normandy NFM Limited

## **CERTIFICATE**

To the best of our knowledge and belief after making proper inquiry, the information contained in this Offer document (not including Appendix B) is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by NFM under the Takeovers Code.

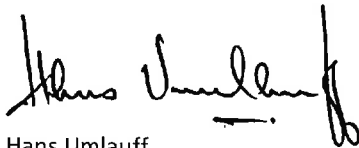
Signed by the persons named below or their respective agents authorised in writing.



Bruce Kay  
Executive Chairman  
**Normandy NFM Limited**



Ken Williams  
Chief Financial Officer  
**Normandy NFM Limited**



Hans Umlauff  
for and on behalf of the board of directors of  
**Normandy NFM Limited**



John Innes  
for and on behalf of the board of directors of  
**Normandy NFM Limited**

## GLOSSARY & INTERPRETATION

The following terms have the following meanings in this Offer document unless the context requires otherwise:

Term	Meaning
<b>Acceptance Form or Form</b>	The form which is enclosed with this Offer document and must be completed and returned to NFM to accept the Offer (unless your Otter shares or options are held in a CHESS Holding)
<b>Acceptor</b>	A Shareholder who accepts the Offer and who is paid cash in consideration for their acceptance
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	Australian Stock Exchange Limited (ABN 98 008 624 691)
<b>A\$</b>	Australian Dollars
<b>CHESS</b>	Clearing House Electronic Subregister System, which provides for the electronic transfer of ASX listed securities in Australia
<b>CHESS Holding</b>	A holding of Otter Shares or Options on Otter's CHESS subregister
<b>Closing Date</b>	10 February 2003 or as extended in accordance with the Takeovers Code
<b>Corporations Act</b>	The Corporations Act 2001 of the Commonwealth of Australia
<b>Foreign Shareholder</b>	A Shareholder with a registered or registrable address outside of Australia and its external territories and New Zealand
<b>Foreign Optionholder</b>	A holder of Options with a registered or registrable address outside of Australia and its external territories and New Zealand
<b>HIN</b>	Holder Identification Number (used in relation to CHESS Holdings)
<b>Issuer Sponsored Holding</b>	A holding of Otter Shares or Options on Otter's issuer sponsored Australian subregister
<b>NFM</b>	Normandy NFM Limited (ABN 39 007 688 063), trading as Newmont NFM
<b>NZ\$</b>	New Zealand Dollars
<b>NZSE</b>	New Zealand Stock Exchange
<b>Offer</b>	The takeover offer for all the Otter Shares and the Options as set out in this Offer document
<b>Offeror</b>	NFM
<b>Optionholder</b>	A holder of Options
<b>Options</b>	Options to acquire Otter Shares which are listed on the ASX
<b>Otter</b>	Otter Gold Mines Limited (ARBN 003 082 773, NZ Reg Co No:AK 080281)
<b>Otter Shares</b>	Fully paid ordinary shares in the capital of Otter and all Rights attaching to them
<b>Offer Period</b>	The period beginning on the date of the Offer and ending on the Closing Date
<b>Rights</b>	All accretions and rights attaching to or arising from the Otter Shares after the date of this document (including, without limitation, all rights to receive dividends and to receive or subscribe for shares, stock units, notes, options or other securities and all other distributions or entitlements declared, paid or issued by Otter)
<b>SCH Business Rules</b>	The rules of the securities clearing house that administers CHESS
<b>Shareholder</b>	A holder of Otter Shares
<b>SRN</b>	Securityholder Reference Number (used in relation to Issuer Sponsored Holdings)
<b>Takeovers Code</b>	The takeovers code recorded in the New Zealand Takeovers Code Approval Order 2000 (SR 2000/210)
<b>Takeovers Panel</b>	The takeovers panel established by the New Zealand Takeovers Act 1993
<b>Target Company</b>	Otter

## APPENDIX A

### INFORMATION REQUIRED BY SCHEDULE 1 TO THE TAKEOVERS CODE

#### 1. Date

The Offer is dated 9 January 2003.

#### 2. Offeror and its Directors

Offeror:

Normandy NFM Limited (trading as Newmont NFM)  
100 Hutt Street  
Adelaide 5000  
South Australia  
Australia

Directors of the Offeror:

The directors of NFM and their occupations are:

Name	Occupation
Bruce D Kay	Geologist
Kenneth G Williams	Chief Financial Officer
Hans E Umlauff	Engineer
John A Innes	Mining Engineer

#### 3. Target Company

Otter Gold Mines Limited  
ARBN 003 082 773 / AK 80281

#### 4. Advice Statement

The advice statement required under the Takeovers Code is set out on the cover page of this Offer document.

#### 5. Offer Terms

The terms of the Offer are set out in paragraphs 1 to 10 on pages 3 to 9 of the Offer document.

#### 6. Ownership of Equity Securities of Target Company

The persons listed in the table below hold or control equity securities of Otter in the numbers, designations and percentages shown beside their respective identities.

Equity Securities	Number and Percentage held by:				
	NFM	Related Company (1)	Associated Persons (2)	Director (3)	Other Substantial Holder (4)
Ordinary Shares	74,366,018 (89.17%)	74,366,018 (89.17%)	Nil	Nil	No other person holds or controls 5% or more of Otter Shares
Options	8,519,565 (31.23%)	8,519,565 (31.23%)	Nil	Nil	Fuse Limited: 1,529,600 (16.60%) New Zealand Oil & Gas Limited: 1,413,956 (5.18%)

<b>Related Company (1)</b>	<i>Related Companies of NFM, being Newmont Australia Limited and its wholly owned subsidiary Newmont NGL Holdings Pty Limited, who together hold 85.86% of NFM. These companies do not themselves hold any Otter Shares or Options.</i>
<b>Associated Persons (2)</b>	<i>Persons acting jointly or in concert with Normandy NFM</i>
<b>Director (3)</b>	<i>Director of NFM, any Related Company of NFM, or persons acting jointly or in concert with NFM</i>
<b>Other Substantial Holder (4)</b>	<i>Other persons holding or controlling 5% or more of the class of equity securities within the knowledge of NFM.</i>

In summary, other than as set out above, none of the following hold or control any Otter Shares or Options:

- (a) any related company of NFM;
- (b) any person acting jointly or in concert with NFM, or;
- (c) any director of any of the persons described in (a) and (b) above.

The information in this table relating to other substantial holders of Otter Shares and Options is obtained from publicly available information.

## **7. Trading in Target Company Equity Securities**

To the best of NFM's information, knowledge and belief, and based on available public filings, no person listed in paragraph 6 of this Appendix A has during the 6 month period before the date of the Offer and acting as substantial security holders in Otter, acquired or disposed of equity securities of the Company in that capacity.

## **8. Agreements to Accept Offer**

No persons have agreed conditionally or unconditionally to accept the Offer.

## **9. Arrangements to Pay Consideration**

NFM is a company with substantial assets which is listed on the ASX. As such, NFM confirms that resources will be available to it sufficient to meet the consideration to be provided on full acceptance of the Offer and to pay any debts incurred in connection with the Offer (including debts arising under rule 49 of the Takeovers Code).

A statement setting out the rights of each Shareholder or Optionholder, under rule 34 of the Takeovers Code, to withdraw its acceptance for non-payment by NFM of the consideration, is set out in paragraph 2.5 of this Offer document.

## **10. Arrangements Between Offeror and Target Company**

- (a) No agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between NFM or any associates of NFM, and Otter or any related company of Otter, in connection with, in anticipation of, or in response to, the Offer.
- (b) Following the close of NFM's last takeover offer for Otter equity securities (April 2002), NFM entered into a Deed of Indemnity with Otter which was conditional upon a number of factors, including that a Standstill Agreement and Guarantee Deed come into force. The Standstill Agreement and Guarantee Deed came into force upon, among other things, NFM acquiring 50.1% of the Shares.

Under the terms of the Standstill Agreement, Macquarie Bank Limited ("Macquarie") (Otter's principal bankers) agreed to:

- (i) waive certain change of control provisions in Otter's material debt facilities; and
- (ii) suspend or alter certain obligations of Otter and its subsidiary companies pursuant to Otter's material debt facilities and certain hedging arrangements for a period of 12 months.

The Standstill Agreement also requires Otter to restructure its hedging arrangements with Macquarie and other parties. It is a condition of the Standstill Agreement that NFM entered into the Guarantee Deed.

On 27 November 2002 Otter announced that Macquarie had agreed, pursuant to a Second Standstill Agreement, to extend the expiry date for the standstill period under the Standstill Agreement until 30 June 2003. It is a condition of the Second Standstill Agreement that NFM continues to guarantee repayment of Otter's debt to Macquarie.

Under the terms of the Guarantee Deed, NFM guarantees (on normal commercial terms) Otter's liabilities to Macquarie in respect of Otter's material debt facilities and certain hedging facilities.

Under the terms of the Deed of Indemnity, Otter agrees to:

- (i) indemnify NFM against any loss suffered pursuant to the Guarantee Deed; and
- (ii) pay to NFM a fee for guaranteeing Otter's obligations pursuant to the Guarantee Deed. The fee is calculated on normal commercial terms as a proportion of Otter's outstanding debt and mark to market hedging liabilities.

None of the Deed of Indemnity, Standstill Agreement, Second Standstill Agreement or Guarantee Deed were entered into in connection with this Offer. However, if Otter becomes a wholly-owned subsidiary of NFM, NFM may review and seek to amend the terms of these agreements.

#### **11. Financial Assistance**

No agreement or arrangement has been made, or is proposed to be made, under which Otter or any related company of Otter will give (directly or indirectly) financial assistance for the purpose of, or in connection with, the Offer.

#### **12. Arrangements Between Offeror, and Directors and Officers of Target Company**

No agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between NFM or any associates of NFM, and any of the directors or senior officers of Otter or of any related company of Otter (including any payment or other benefit proposed to be made or given by way of compensation for loss of office, or as to their remaining in or retiring from office) in connection with, in anticipation of, or in response to, the Offer.

#### **13. Acquisitions of Securities**

NFM may acquire equity securities in Otter during the offer period, as permitted by rule 36 of the Takeovers Code, if the requirements of rule 36 are met.

#### **14. Likelihood of changes in Target Company**

Subject to the matters referred to in this Appendix A, regardless of the level of acceptances of the Offer, it is NFM's present intention:

- (a) for the business carried on by Otter to be continued; and
- (b) for no major changes to be made to the business carried on by Otter and for no redeployment of any of the operating assets of Otter.

#### **Directors**

If, as a result of the Offer, Otter becomes a wholly owned subsidiary of NFM, it is NFM's present intention to seek to have the Otter Board of Directors comprised of NFM executives only.



## **15. Pre-emption Clauses in Target Company's Constitution**

There is no restriction on the right to transfer equity securities to which the Offer relates contained in the constitution of Otter which has the effect of requiring the holders of the securities to offer the securities for purchase to members of Otter or to any other person before transferring the securities.

## **16. No Escalation Clause**

There is no agreement or arrangement (whether legally enforceable or not) under which any existing holder of equity securities in Otter will or may receive in relation to, or as a consequence of, the Offer any additional consideration or other benefit over and above the consideration set out in the Offer, or any prior holder of equity securities in Otter will or may receive any consideration or other benefit as a consequence of the Offer.

## **17. Independent Adviser's Report**

An independent adviser's report is required under rule 22 of the Takeovers Code (which requires an independent adviser to report on fairness between different classes of securities, whether voting or non-voting) because Otter has non-voting share options on issue at the date of the Offer, as well as ordinary voting shares. This report was written by Grant Samuel and Associates Limited, and, as required by rule 22(2) of the Takeovers Code, the report concludes that the consideration and terms offered for each class of securities are fair and reasonable as between the classes of securities. A full copy of the report is attached to this Offer document as Appendix B.

## **18. Additional Disclosures Required if Consideration Includes Securities**

No securities have been offered by NFM as consideration under the Offer.

## **19. Compulsory Acquisition**

NFM currently holds 89.17% of Otter's issued shares. If NFM receives acceptances which result in it holding or controlling 90% or more of the Otter Shares, NFM would exercise its right to acquire all of the outstanding voting securities, including the remaining Otter Shares and all remaining Options in accordance with the Takeovers Code.

## **20. Other Matters**

### **Delisting**

As of close of trading on NZSE on Friday 1 November 2002, Otter ceased to be listed on the NZSE. Its listing and the quotation of its shares on the ASX continues. However, if the Offer is successful so that Otter becomes a wholly owned subsidiary of NFM, then the Listing Rules of the ASX are such that the shares of Otter will cease to be quoted on the ASX. If Otter does not become a wholly owned subsidiary of NFM, it is NFM's intention to maintain the ASX listing of Otter for as long as Otter continues to have sufficient minority shareholders or until the minority shareholders resolve to the contrary.

Even though Otter has ceased to be listed on the NZSE the acquisition of its shares will remain regulated under the Takeovers Code (New Zealand) for at least a further twelve months from the date of delisting.

### **Otter's financial position**

Otter's current financial position is poor. Otter's 2002 Annual Report, sent to shareholders in October 2002, states:

"There remains significant uncertainty regarding Otter's future financial viability, and it could face receivership or liquidation unless adequate alternative financial arrangements are reached."

Otter's current financial position is more fully described in Otter's most recent quarterly activities report and its 2002 Annual Report.

## **Tanami**

Due to recently announced promising exploration results near NFM's Groundrush mine, NFM currently anticipates that it may be necessary (irrespective of the outcome of the Offer) for NFM to exercise the option it holds to extend the term of its lease from Otter and AngloGold Australia Limited ("AngloGold") of the Tanami Mine processing facilities for either the six or twelve months provided for in that lease. The extension, if exercised, would take effect in November 2004 and necessitate payment by NFM to Otter (60%) and AngloGold (40%) of A\$0.5 million (if the extension were for 6 months) or A\$1 million (if the extension were for 12 months). Notice of the exercise of the right to extend and payment of the extension fees would be required to be given and made by the end of April 2004. At this stage there is no certainty of any extension but if one were to occur it is more likely it would be for 12 months.

## **Martha Mine**

At the time of its previous bid for Otter shares NFM stated that the focus of its interest in Otter was on its Tanami assets and that it would review Otter's holding in the Martha Mine in Waihi ("Martha"). NFM considers that Otter is not well placed financially to both continue to hold its interest in Martha and contribute its share of future costs (including the cost of developing the Favona Prospect should a development decision be taken) and at the same time to commit funding for further exploration in the Tanami region. NFM also recognises the pending maturity of a substantial part of Otter's debt and the limited options Otter has to address this issue. Consequently, it remains the intention of NFM, in conjunction with Otter, to review (regardless of the outcome of the Offer) Otter's holding in Martha. This review will include consideration of dilution or divestment of Otter's interest in Martha (both on a stand-alone basis and as part of a transaction involving full ownership of Martha) including by way of trade sale or spin off into a new company through an initial public offering. Any ultimate decision will be influenced by a wide range of factors not the least of which will be market conditions from time to time.

## **NFM's status**

On 28 November 2002, NFM and Newmont Australia Limited jointly announced a proposal for NFM to buy back some of its own shares and for Newmont Australia Limited to acquire, via a scheme of arrangement, the NFM shares not owned by it or its subsidiaries and not bought back by NFM. If this proposal receives all requisite approvals (including shareholder, Court and regulatory approvals), NFM will become a wholly owned subsidiary of Newmont Australia Limited.

## **APPENDIX B**

# **INDEPENDENT ADVISER'S REPORT IN RELATION TO A TAKEOVER OFFER FOR OTTER GOLD MINES LIMITED BY NORMANDY NFM LIMITED**

- This report is not a report on the merits of the offer.
- This report has been commissioned by Normandy NFM.
- This report is solely a report to compare the terms and conditions offered for non-voting securities in comparison with the consideration and terms offered for voting securities.
- **A separate independent report on the merits of the offer commissioned by the directors of Otter Gold Mines will be distributed to shareholders along with a statement from Otter Gold Mines.**

Prepared by

**GRANT SAMUEL & ASSOCIATES LIMITED**

Auckland



Sydney



Melbourne



**20 December 2002**

## Table of Contents

<b>1</b>	<b>Terms of the Takeover Offer .....</b>	<b>1</b>
<b>2</b>	<b>Scope of the Report .....</b>	<b>2</b>
2.1	Requirements of the Takeovers Code .....	2
2.2	Purpose of the Report .....	2
2.3	Basis of Assessment .....	2
2.4	Sources of Information .....	3
2.5	Limitations and Reliance on Information .....	3
2.6	Current Market Conditions .....	3
<b>3</b>	<b>Otter's Capital Structure .....</b>	<b>4</b>
3.1	Ordinary Shares .....	4
3.2	Options .....	4
<b>4</b>	<b>Evaluation of the NFM Offer .....</b>	<b>4</b>
4.1	Offer Prices for the Securities .....	4
4.2	Evaluation and Opinion .....	4
<b>5</b>	<b>Qualifications, Declarations and Consents.....</b>	<b>5</b>
5.1	Qualifications .....	5
5.2	Disclaimers .....	5
5.3	Independence .....	5
5.4	Information .....	5
5.5	Declarations .....	5
5.6	Consents .....	6

## **1 Terms of the Takeover Offer**

On 4 December 2002 Normandy NFM Limited, trading as Newmont NFM ("NFM") gave notice of its intention to make a full takeover offer for Otter Gold Mines Limited ("Otter") under the provisions of the New Zealand Takeovers Code. The NFM offer is to purchase all of the ordinary shares and listed options in Otter which it does not already hold.

The consideration offered by NFM is:

- to each shareholder, A\$0.28 for each Otter share held; and
- to each option holder, A\$0.01 for every 100 Otter options held.

Shareholders and option holders having their registered address in New Zealand are able to elect to receive the consideration New Zealand currency.

The offer is unconditional and remains open for acceptance until 10 February 2003 unless extended by NFM under the provisions of the Takeovers Code.

## 2 Scope of the Report

### 2.1 Requirements of the Takeovers Code

The Takeovers Code came into effect on 1 July 2001, replacing the New Zealand Stock Exchange (“NZSE”) Listing Rule requirements governing the conduct of listed company takeover activity in New Zealand. The Takeovers Code seeks to ensure that all shareholders are treated equally and, on the basis of proper disclosure, are able to make an informed decision as to whether to accept or reject an offer.

Otter was listed on the NZSE up until 1 November 2002, in addition to its current listing on the Australian Stock Exchange. The NZSE listing ceased when there was insufficient shareholder spread to meet NZSE Listing Rule requirements as a result of an earlier takeover offer from NFM. Otter remains subject to the requirements of the Takeovers Code as it was subject to a listing agreement with the NZSE within a 12 month period prior to the date of NFM’s current takeover offer.

The Takeovers Code prescribes the responsibilities and obligations for both NFM and Otter as “bidder” and “target” respectively. Amongst other requirements NFM must obtain an independent adviser’s report prepared according to Rule 22 of the Takeovers Code, to be included in the information to be made available to Otter shareholders by NFM.

### 2.2 Purpose of the Report

Rule 22 of the Takeovers Code specifies that a company making a takeover offer for a company that has different classes of voting and non-voting securities must obtain an independent adviser’s report on the fairness of the offer between the classes of securities. Accordingly, NFM has engaged Grant Samuel & Associates Limited (“Grant Samuel”) to prepare the independent adviser’s report required under Rule 22. Grant Samuel is required to certify whether or not the consideration and terms offered for Otter’s non-voting options are fair and reasonable in comparison to those offered for the company’s voting securities. The report is for the benefit of Otter’s shareholders and option holders and is to assist them in forming an opinion on the NFM offer.

Grant Samuel has been approved by the Takeovers Panel to prepare the independent adviser’s report. The report should not be used for any other purpose than as an expression of Grant Samuel’s opinion as to whether the terms and conditions offered for the different classes of securities issued by Otter are fair and reasonable as between themselves. The report does not consider the merits of the NFM offer in its own right, nor places a value on Otter’s shares and options.

### 2.3 Basis of Assessment

Rule 22 of the Takeovers Code requires the independent adviser to certify whether or not the consideration and terms offered for each class of voting securities is fair and reasonable as between the classes of voting and non-voting securities, and as between classes of non-voting securities. The Takeovers Code provides no guidance as to the definition of “fair and reasonable”.

Some guidance can be taken from Australia, where the phrase “fair and reasonable” appears in legislation and in the Listing Rules of the Australian Stock Exchange. The Australian Securities Commission issued a Policy Statement setting out the basis on which independent experts are to evaluate whether a takeover is fair and reasonable for the purpose of the Australian Corporations Law. The Policy Statement is directed primarily at the responsibilities of companies under takeover offer and requires the independent expert to consider separately whether a takeover offer is “fair” and whether it is “reasonable”. Fairness is said to involve a comparison of the offer price with the value of the underlying businesses and assets. In determining fairness, any existing entitlement to shares by the offeror is to be ignored. An offer is considered to be fair if the price fully reflects the value of a company’s businesses and assets. Reasonableness is said to involve an analysis of other factors that a shareholder might consider prior to accepting a takeover offer.

Whilst the Policy Statement is to assist with the evaluation of a takeover offer itself, Grant Samuel believes it is appropriate to extend the interpretation of “fair and reasonable” to an evaluation of the

offer consideration for different classes of security as between the classes. Fairness involves a comparison of the offer consideration for each class of security relative to the consideration offered for other classes and reasonableness involves an analysis of any other non-monetary factors attached to the offer for each class of security.

Grant Samuel has determined the fairness and reasonableness of the NFM offer as between classes of security by considering the offer price for the options compared to the offer price for voting securities. In this case there are only two classes of security to be considered and therefore no further certification is required.

#### **2.4 Sources of Information**

The following information was relied upon in preparing this report:

- the notice of intention to make a takeover offer issued by NFM on 4 December 2002;
- a draft of the takeover offer to be mailed to Otter shareholders;
- annual reports for Otter for the years ending 30 June 2001 and 2002; and

#### **2.5 Limitations and Reliance on Information**

The report is based upon information provided by NFM. Grant Samuel has considered and relied upon this information. Grant Samuel believes that the information provided was reliable, complete and not misleading and has no reason to believe that any material facts have been withheld.

The information provided has been evaluated through analysis, enquiry and review for the purposes of forming an opinion as to whether the consideration offered for the different classes of securities issued by Otter is fair and reasonable as between the classes. However, Grant Samuel does not warrant that these inquiries have identified or verified all of the matters which an audit, extensive examination or 'due diligence' investigation might disclose.

#### **2.6 Current Market Conditions**

The opinion of Grant Samuel is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

### 3 Otter's Capital Structure

#### 3.1 Ordinary Shares

As at 30 November 2002, Otter's issued ordinary share capital comprised:

Otter – Issued Ordinary Share Capital	
Ordinary shares held by shareholders	Number of Shares 83,396,733

#### 3.2 Options

As at 30 November 2002, Otter had the following options on issue:

Otter – Options on Issue			
Class	Exercise Date	Exercise Price	Number of Options
Listed	30 June 2003	NZ\$2.00	27,279,002

The listed options are to purchase Otter ordinary shares on a 1 for 1 basis and are exercisable at any time up until 30 June 2003 at an exercise price of NZ\$2.00 each. No voting rights are attached to them.

### 4 Evaluation of the NFM Offer

#### 4.1 Offer Prices for the Securities

NFM's offer consideration for each class of Otter securities is:

NFM's Offer Consideration for each class of Otter Securities	
Class of Security	Consideration
Ordinary shares	A\$0.28 cash for each Otter share
Listed options	A\$0.01 for every 100 listed options held

#### 4.2 Evaluation and Opinion

The closing share price for Otter on the day immediately prior to NFM's notice of its intention to make an offer was A\$0.28. During the last twelve months the price has traded in the range of A\$0.19 to A\$0.37. The recent range of prices is substantially below the NZ\$2.00 exercise price of the listed options. On this basis, the options are out of the money, i.e. in Grant Samuel's opinion there is no economic benefit to be gained by an option holder by exercising options now at the NZ\$2.00 exercise price and then accepting the NFM offer.

NFM is offering nominal consideration to the holders of options. This reflects the fact that the options are out of the money. The question of relativity of the consideration offered for the options compared to the consideration offered for the shares should only be considered in light of the circumstances prevailing at the time the NFM notice was issued. In Grant Samuel's opinion, the options have little or no value unless the Otter share price rises significantly. Therefore, relative to the listed options, shareholders are not being favoured. Accordingly, Grant Samuel is of the opinion that the offer for the options is fair and reasonable in comparison with the offer made for the Otter ordinary shares. Therefore in Grant Samuel's view, the offer complies with Rule 8(4) of the Takeovers Code.



## **5 Qualifications, Declarations and Consents**

### **5.1 Qualifications**

Grant Samuel and its related companies provide financial advisory services to corporate and other clients in relation to mergers and acquisitions, capital raisings, corporate restructuring, property and financial matters generally in Australia and New Zealand. One of its activities is the preparation of company and business valuations and the provision of independent advice and expert's reports in connection with mergers and acquisitions, takeovers and capital reconstructions. Since its inception in 1988, Grant Samuel and its related companies have prepared more than 200 public expert, adviser or appraisal reports.

The person responsible for preparing this report on behalf of Grant Samuel is John Mandeno, BCom who has a significant number of years experience in relevant corporate advisory matters.

### **5.2 Disclaimers**

It is not intended that this report should be used or relied upon for any purpose other than as an expression of Grant Samuel's opinion on the fairness of the NFM offer consideration between the classes of securities. Grant Samuel expressly disclaims any liability to any Otter shareholder that relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose.

This report has been prepared by Grant Samuel with care and diligence and the statements and opinions given by Grant Samuel in this report are given in good faith and in the belief on reasonable grounds that such statements and opinions are correct and not misleading. However, no responsibility is accepted by Grant Samuel or any of its officers or employees for errors or omissions however arising in the preparation of this report, provided that this shall not absolve Grant Samuel from liability arising from an opinion expressed recklessly or in bad faith.

### **5.3 Independence**

Grant Samuel does not have at the date of this report, and has not had within the previous two years, any shareholding in or other relationship with Otter or NFM that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the proposed offer.

Grant Samuel had no part in the formulation of the NFM offer. Its only role has been the preparation of this report and its summary. Grant Samuel will receive a fee for the preparation of this report. This fee is not contingent on the outcome of the NFM offer. Grant Samuel will receive no other benefit for the preparation of this report.

Accordingly, Grant Samuel considers itself to be independent for the purposes of the Takeovers Code.

### **5.4 Information**

Grant Samuel has obtained all information, which it believes is desirable for the purposes of preparing this report, including all relevant information which is or should have been known to any Director of NFM and made available to the Directors. Grant Samuel confirms that in its opinion the information to be provided by NFM and contained within this report is sufficient to enable Otter shareholders to understand all relevant factors and make an informed decision, in respect of the NFM offer.

### **5.5 Declarations**

NFM has agreed that to the extent permitted by law, it will indemnify Grant Samuel and its employees and officers in respect of any liability suffered or incurred as a result of or arising out of the preparation of the report. This indemnity will not apply in respect of the proportion of liability found by a court to be attributable to any conduct involving negligence or wilful misconduct by Grant Samuel. NFM has also agreed to indemnify Grant Samuel and its employees and officers for time spent and reasonable legal

costs and expenses incurred in relation to any inquiry or proceeding initiated by any person except where Grant Samuel or its employees and officers are found to have been negligent or engaged in wilful misconduct in which case Grant Samuel shall bear such costs.

Advance drafts of this report (and parts of it) were provided to NFM. Certain changes were made to this report as a result of the circulation of the draft report. However, there was no alteration to the methodology, conclusions or recommendations made to Otter shareholders as a result of issuing the drafts.

Grant Samuel's terms of reference for its engagement did not contain any term, which materially restricted the scope of the report.

#### **5.6 Consents**

Grant Samuel consents to the issuing of this report in the form and context in which it is to be included in the information to be sent to Otter shareholders and option holders. Neither the whole nor any part of this report nor any reference thereto may be included in any other document without the prior written consent of Grant Samuel as to the form and context in which it appears.

**GRANT SAMUEL & ASSOCIATES LIMITED**

20 December 2002

*Grant Samuel + Associates*

## **CORPORATE DIRECTORY**

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### **NFM REGISTERED & PRINCIPAL OFFICE**

100 Hutt Street, Adelaide 5000  
South Australia, Australia  
Tel: + 61 8 8303 1700  
Fax: + 61 8 8303 1900

### **NFM INVESTOR RELATIONS**

Nicola Frazer  
Manager - Investor Relations  
100 Hutt Street, Adelaide 5000  
South Australia, Australia  
Tel: + 61 8 8303 1756  
Fax: + 61 8 8303 1904

Website: <http://www.normandy.com.au>

### **NFM STOCK EXCHANGE LISTING**

Australian Stock Exchange Limited  
Home Branch  
Adelaide, South Australia

### **NFM AUSTRALIAN SHARE REGISTRY**

National Shareholder Services Pty Limited  
PO Box 7156,  
Hutt Street, Adelaide 5000  
South Australia, Australia  
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Fax: + 61 8 8232 0072

### **NFM NEW ZEALAND SHARE REGISTRY**

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Newmarket, Auckland  
New Zealand

### **NEW ZEALAND LEGAL ADVISER TO NFM**

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### **INDEPENDENT ADVISER REPORT**

Grant Samuel and Associates Limited  
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**NORMANDY NFM LIMITED**  
(Trading as Newmont NFM)  
ABN 39 007 688 093