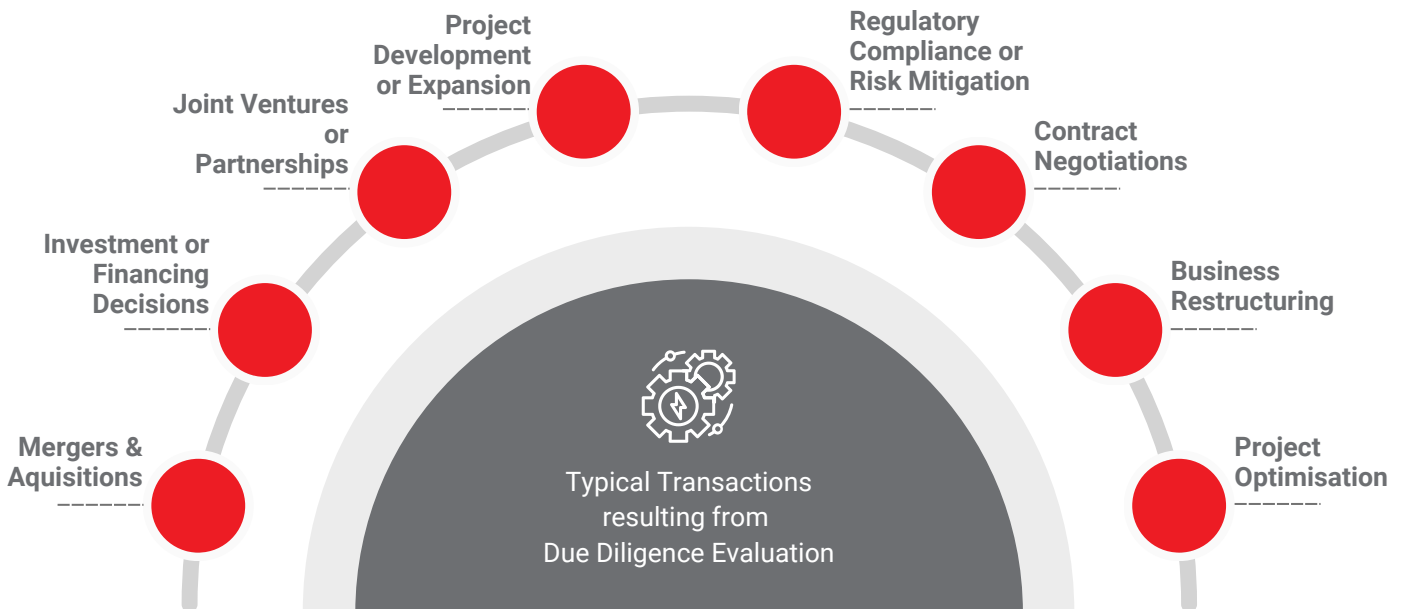


Industry Insight on Due Diligence Exercises

Possible transactions or actions resulting from a due diligence

A due diligence process may lead to various types of transactions, depending on the findings and objectives of the evaluation. Some typical transactions that may stem from a due diligence include:



- > **Mergers and Acquisitions (M&A):** If the due diligence reveals a favourable assessment of the target company or project, it may lead to a merger or acquisition transaction. This could involve the acquisition of the entire company, specific assets, or a strategic partnership to leverage synergies and expand market presence.
- > **Investment or Financing Decisions:** Investors or financial institutions may make investment or financing decisions based on the due diligence findings. This could involve providing funding for the project, such as debt financing, equity investment, or project financing.
- > **Joint Ventures or Partnerships:** If the due diligence identifies complementary strengths or opportunities, it may result in the formation of joint ventures or strategic partnerships. These allow companies to combine resources, expertise, and market access to pursue shared business objectives.

- › **Project Development or Expansion:** A positive due diligence outcome can lead to the development or expansion of a mining project. This may involve initiating construction, implementing operational improvements, or scaling up production capacity based on the identified opportunities and feasibility.



- › **Regulatory Compliance or Risk Mitigation:** The due diligence process may uncover non-compliance issues or potential risks. In such cases, transactions could involve corrective actions to address regulatory requirements, implement risk mitigation measures, or adjust project plans to ensure compliance and minimise potential liabilities.
- › **Contract Negotiations:** The findings may impact contract negotiations with suppliers, contractors, or other stakeholders. They can provide valuable insights into the technical, financial, and legal aspects that need to be considered in negotiating terms, pricing, and contractual obligations.
- › **Business Restructuring:** In some cases, a due diligence may reveal challenges or non-core assets that prompt a company to restructure its operations or divest certain assets. This could involve selling off non-strategic assets, exiting unprofitable ventures, or focusing on core business areas based on the due diligence assessment.
- › **Project Optimisation:** The due diligence process may uncover opportunities for optimising the project's operations, improving efficiency, reducing costs, or implementing new technologies. These findings can lead to actions aimed at maximising the project's performance and profitability.

It's important to note that the outcomes and transactions resulting from a due diligence process will depend on the specific context and objectives of the parties involved.

The expected outcomes of a due diligence process are to provide stakeholders with a thorough assessment of the project, identify risks and opportunities, support decision-making and ensure alignment with objectives while enhancing transparency and compliance.

The due diligence findings serve as a basis for informed decision-making and can influence a wide range of transactions and actions.