

## ASX RELEASE

14 June 2023

# UPDATE ON ZULEIKA'S LITIGATION AGAINST VANGO MINING LIMITED

## COSTS ORDERS | VANGO AND DPPL APPEAL | TRANSFER OF PROJECT INTEREST

Zuleika Gold Limited (**Zuleika**) (ASX: ZAG) wishes to provide an update to the market regarding recent developments in its ongoing litigation against Vango Mining Limited (**Vango**) and its wholly owned subsidiary, Dampier (Plutonic) Pty Ltd (**DPPL**).

Zuleika refers to its previous ASX announcements on 1 November 2022, 21 November 2022 and 16 January 2023.

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### HIGHLIGHTS

- **Catalyst Metals Ltd's (ASX:CYL) recent takeover of Vango does not affect Zuleika's entitlement to recover costs from Vango and DPPL or Zuleika's claim for damages.**
- **The process for Zuleika obtaining costs from Vango and DPPL (as a result of the Honourable Justice Smith delivering her judgment in respect of the Costs Application in favour of Zuleika) is progressing, with the final assessment expected in the second half of 2023.**
- **The process for transferring Zuleika's interest in M52/183, including the K2 project, is well advanced.**
- **Zuleika has sought discovery from Vango and DPPL to enable it to quantify its damages claim, which it expects to advance in the second half of 2023.**

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### Litigation History

On 26 May 2020, Zuleika announced that it had commenced proceedings in the Supreme Court of Western Australia against Vango and DPPL regarding the Farm-in Joint Venture Binding Terms Sheet the parties entered into on 12 May 2017 (**BTS**) (Zuleika Announcement: 16 May 2017).

Zuleika claimed damages and a beneficial interest in Mining Lease M52/183 (**Tenement**) and any contiguous tenements which cover adjacent, on-strike or down-dip extensions of the Keillor 2 (**K2**) orebody or mineralised zones. The K2 mine on the Tenement is within the Marymia project area referred to by Vango as the PHB Corridor.

The trial to determine the liability of Vango and DPPL in relation to the BTS was held before the Honourable Justice Smith in the Supreme Court of Western Australia over 6 days between 21 March 2022 and 25 March 2022, and on 30 March 2022 (**Trial**).

In summary, the findings for Zuleika were wholly successful. Zuleika's beneficial interest of a 4.1% interest in the Tenement was confirmed and Vango and DPPL were found to have breached the terms of the BTS. As a consequence, Zuleika is entitled to pursue its claim for damages.

### **Catalyst Metals takeover of Vango**

Catalyst Metals Limited (ACN 118 912 495) (ASX:CYL) (**Catalyst**) recently acquired all of Vango's shares (Catalyst ASX announcement: 21 March 2023).

The takeover of Vango by Catalyst and Vango's delisting from the ASX does not affect the liability of Vango and DPPL arising from the Judgment of the Supreme Court delivered in Zuleika's favour on 31 October 2022 (**Judgment**) (Zuleika ASX announcement: 1 November 2022) or Zuleika's intention to pursue its rights, pursuant to that Judgment, and seek orders for significant damages.

### **Special Costs Orders**

After successfully obtaining the Judgment, in November 2022 Zuleika filed an application in the Supreme Court of Western Australia seeking special costs orders against Vango and DPPL in respect of Zuleika's costs of the liability proceedings (including the costs of Trial) (**Costs Application**).

On 11 January 2023, the Honourable Justice Smith delivered her judgment in respect of the Costs Application and made special costs orders in the terms sought by Zuleika (Zuleika ASX announcement: 16 January 2023).

In April 2023, Zuleika filed its Bill of Costs with the Supreme Court setting out in detail the substantial legal costs that it seeks to recover from Vango and DPPL.

On 5 May 2023, the Supreme Court confirmed Zuleika's Bill of Costs is suitable for provisional assessment.

Once Zuleika's costs have been finally assessed, Zuleika will provide a further update to the market and will promptly seek to enforce the costs order against Vango and DPPL.

### **Appeal**

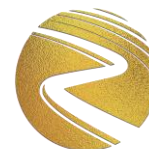
In November 2022, Vango and DPPL filed an appeal against a discrete aspect of the Judgment.

Vango and DPPL appeal the Court's finding that Zuleika has earned a "Joint Venture Interest" pursuant to the BTS which entitles Zuleika to the immediate transfer of a 4.1% interest in the Tenement.

Vango and DPPL have not appealed the Court's determination that they engaged in multiple repudiatory breaches of the BTS, which entitled Zuleika to terminate the BTS and sue for damages. Accordingly, nothing in the appeal filed by Vango and DPPL concerns or affects Zuleika's claim for damages, which it will continue to vigorously pursue.

On 25 January 2023, Zuleika filed its response to Vango and DPPL's grounds of appeal and appeal books have been finalised and lodged with the Court of Appeal.

Zuleika expects the appeal will be heard in the Court of Appeal in September or October 2023.



**ZULEIKA GOLD**

Zuleika is confident in its defence of the appeal and looks forward to having the appeal resolved positively and attention being refocused on the pursuit of its damages claim.

### **Transfer of Zuleika's interest in M52/183**

Zuleika has advanced the process of completing the legal transfer of its 4.1% interest in the Tenement. Zuleika will update the market when the transfer is complete.

**Authorised for release by the Board**

**Jonathan Lea  
Managing Director**

