



13 July 2023

Market Announcements Office
Australian Securities Exchange Limited
Level 40, Central Park
152 – 158 St Georges Terrace
PERTH WA 6000

Off-market takeover bid by Ramelius Resources Limited for Musgrave Minerals Limited – Target's Statement

In accordance with item 14 of section 633(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), we attach a copy of the Target's Statement issued by Musgrave Minerals Ltd ACN 143 890 671 (ASX: MGV) (**Musgrave**) in relation to the off-market takeover bid by Ramelius Resources Limited ACN 001 717 540 (**Ramelius**), through its wholly-owned subsidiary Mt Magnet Gold Pty Ltd ACN 008 669 556 under Chapter 6 of the Corporations Act for all the ordinary shares in Musgrave.

The Target's Statement was lodged today with the Australian Securities and Investments Commission and served on Ramelius.

This announcement has been approved and authorised for release by the Managing Director of Musgrave Minerals Limited.

Yours faithfully

A handwritten signature in black ink, appearing to read "Trish Farr", enclosed within a hand-drawn circle.

Patricia (Trish) Farr
Company Secretary
Musgrave Minerals Limited

TARGET'S STATEMENT

MUSGRAVE MINERALS LIMITED ACN 143 890 671

In relation to the takeover offer by Ramelius Resources Limited ACN 001 717 540 to purchase all of your fully paid ordinary shares in

Musgrave Minerals Limited in consideration for one (1) Ramelius Share for every 4.21 Musgrave Shares and \$0.04 in cash for every Musgrave Share held

Your Musgrave Directors unanimously recommend, in the absence of a Superior Proposal, that you

 **ACCEPT**

the Ramelius Resources Limited Offer

Thomson Geer
Lawyers

Legal Adviser

 **LONGREACH
CAPITAL**

Financial Adviser

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IMPORTANT DATES

Announcement Date	3 July 2023
Lodgement of Bidder's Statement	11 July 2023
Ramelius Offer Opens	13 July 2023
Lodgement of Target's Statement	13 July 2023
Date for notice on the status of conditions	11 August 2023
Ramelius Offer Closes (unless extended or withdrawn*)	7:00pm (Sydney time) on 18 August 2023

* The Ramelius Offer may be extended to the extent permitted under the Corporations Act.

MUSGRAVE SHAREHOLDER INFORMATION LINE

If you have any queries in relation to the Ramelius Offer, please consult your professional adviser or the Musgrave Shareholder Information Line on 1300 918 438 from within Australia or +61 3 9415 4634 from overseas on Monday to Friday between 8:30am and 5:00pm (AEST).

LETTER FROM THE CHAIRMAN

Dear Musgrave Shareholders

ACCEPT THE RAMELIUS OFFER (in the absence of a Superior Proposal)

I am writing to you in response to the off-market takeover bid announced by Ramelius Resources Limited (**Ramelius**), through its wholly-owned subsidiary Mt Magnet Gold Pty Ltd (ABN 66 008 669 556) (**Bidder**) to acquire all of the Musgrave Shares. On behalf of the Board of Musgrave, I am pleased to present you with this Target's Statement and the opportunity to combine with Ramelius via the Ramelius Offer.

This Target's Statement sets out your Musgrave Directors' response to the Ramelius Offer and contains their recommendation, reasons for that recommendation, and other important information you should consider when deciding whether to accept or not accept the Ramelius Offer.

Under the Ramelius Offer, Musgrave Shareholders are being offered one (1) Ramelius Share for every 4.21 Musgrave Shares held and \$0.04 in cash for every Musgrave Share they hold (**Ramelius Offer Consideration**).

The Musgrave Directors have considered the advantages and disadvantages of the Ramelius Offer and unanimously recommend that you **ACCEPT** the Ramelius Offer, in the absence of a Superior Proposal.

The Musgrave Board believe that this is a sensible and complementary consolidation, given the Cue Gold Project is proximal to Ramelius' flagship Mt Magnet operations. Musgrave Shareholders will have the ability to benefit from continued exposure to the upside potential of the high-grade Cue Gold Project and an enhanced Mt Magnet operation as a long life, strong cashflow generating production centre.

Upon successful completion of the Ramelius Offer, assuming 100% acceptances, Musgrave Shareholders will own approximately 12.4% of the merged group by virtue of their aggregate shareholding in Ramelius.

The Board's unanimous recommendation to **ACCEPT** the Ramelius Offer in the absence of a Superior Proposal reflects a belief that the Ramelius Offer is advantageous for Musgrave Shareholders. Musgrave Shareholders will become Ramelius Shareholders at an attractive premium. Musgrave's major shareholder has also demonstrated their support for the Ramelius Offer, in the absence of a Superior Proposal, by entering into pre-bid acceptance agreements. The Musgrave Directors who hold Musgrave Shares have also demonstrated support for the Ramelius Offer by entering into similar pre-bid acceptance agreements.

The Ramelius Offer Consideration of one (1) Ramelius Share for every 4.21 Musgrave Shares held and \$0.04 cash per Musgrave Share, implies a value of \$0.34 per Musgrave Share based on the 1-day VWAP for Ramelius Shares on 30 June 2023, the last trading day prior to the Announcement Date.¹

The recommended Ramelius Offer represents a total undiluted equity value for Musgrave of approximately \$201M and represents attractive premia of:

- 19% to the closing price of \$0.285 per Musgrave Share on 30 June 2023;
- 39% to the undisturbed 5-day VWAP of \$0.245 per Musgrave Share as at 5 June 2023;
- 47% to the undisturbed 30-day VWAP of \$0.232 per Musgrave Share as at 5 June 2023; and
- 54% to the undisturbed 60-day VWAP of \$0.221 per Musgrave Share as at 5 June 2023.

After careful consideration of the Ramelius Offer and the risks associated with Musgrave proceeding as a stand-alone entity, Musgrave's Board considers the opportunity to combine with Ramelius to be compelling for Musgrave Shareholders. The reasons why it is recommended that you should **ACCEPT** the Ramelius Offer are set out in the next section of this Target's Statement. In addition, the Target's Statement sets out other matters that may be relevant to your decision whether to **ACCEPT** the Ramelius Offer.

¹ The implied offer price for the Ramelius Offer will change with fluctuations in the share price over time.

I encourage you to read both the Bidder's Statement and the Target's Statement and to seek independent advice if required.

If you have any queries in relation to the recommended Ramelius Offer, please consult your professional adviser or the Musgrave Shareholder Information Line on 1300 918 438 from within Australia or +61 3 9415 4634 from overseas on Monday to Friday between 8:30am and 5:00pm (AEST).

On behalf of all Musgrave Directors, I thank you for your continued support.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'G. Ascough', written in a cursive style.

Graham Ascough
Non-Executive Chairman
Musgrave Minerals Limited

IMPORTANT NOTICES

Nature of this document

This Target's Statement is dated 13 July 2023 and is given under section 633 of the Corporations Act by Musgrave Minerals Limited ACN 143 890 671 in response to the Bidder's Statement lodged by Ramelius Resources Limited ACN 001 717 540 with ASIC and served on Musgrave on 11 July 2023.

Defined terms and interpretation

Capitalised terms used in this Target's Statement are either defined in brackets when first used or are defined in the Glossary in Section 12.

References Sections

References to Sections are to the named Sections in this Target's Statement.

ASIC and ASX disclaimer

A copy of this Target's Statement has been lodged with ASIC and ASX. Neither ASIC, ASX nor any of their respective officers take responsibility for the content of this Target's Statement.

No account of personal circumstances

This Target's Statement does not constitute financial product advice and has been prepared without reference to the individual investment objectives, financial situation, taxation position or particular needs of any Musgrave Shareholder or any other person. It is important that you read this Target's Statement before making any decision, including a decision on whether or not to accept the Ramelius Offer. If you are in doubt as to what you should do, you should consult your legal, investment, taxation or other professional adviser.

Musgrave Shareholders should consult their taxation adviser as to the applicable tax consequences of the Ramelius Offer. A summary of the Australian taxation considerations is detailed in Section 9.

Risk factors

Musgrave Shareholders should note that there are a number of risk factors attached to their investment in Musgrave and other risks which apply in the event the Ramelius Offer is accepted. Section 7 of this Target's Statement sets out further information regarding those risks.

Forward looking statements

Certain statements in this Target's Statement relate to the future, including forward looking statements and information ("forward looking statements"). The forward-looking statements in this Target's Statement are not based on historical facts, but rather reflect the current views and expectations of Musgrave concerning future events and circumstances. These statements may generally be identified by the use of forward looking verbs such as "aim", "anticipate", "believe", "estimate", "expect", "foresee", "intend" or "plan", qualifiers such as "may", "should", "likely" or "potential", or similar words. Similarly, statements that describe the expectations, goals, objectives, plans, targets, and future costs and financial performance of Musgrave or Ramelius are, or may be, forward looking statements.

Forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performances

or achievements of Musgrave or Ramelius, to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which Musgrave or Ramelius will operate in the future, including the price of commodities, anticipated costs and ability to achieve goals. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward looking statements include, among others, customer risks, gold and other commodity price volatility, discrepancies between actual and estimated revenues or cost, being inaccurate or changing over time, project risks, contracting risks, dependence on key personnel, increased competition, contractual disputes, operating risks, environmental incident claims and industry accidents. Refer to Section 7 for a (non-exhaustive) discussion of potential risk factors underlying, and other information relevant to, the forward looking statements and information. Forward looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on them. All forward looking statements should be read in light of such risks and uncertainties.

You should note that the historical performance of Musgrave or Ramelius is no assurance of its future financial performance. The forward-looking statements in this Target's Statement reflect views and expectations held only at the date of this Target's Statement. Musgrave believes that all forward-looking statements included in this Target's Statement have been made on a reasonable basis. However, none of Musgrave, its directors nor any other person gives any representation, assurance or guarantee that any outcome, performance or results expressed or implied by any forward-looking statements in this Target's Statement will actually occur. Musgrave Shareholders should therefore treat all forward-looking statements with caution and not place undue reliance on them.

Subject to any continuing obligations under law or the Listing Rules, Musgrave and the Musgrave Directors disclaim any obligation to revise or update, after the date of this Target's Statement, any forward looking statements to reflect any change in views, expectations or assumptions on which those statements are based.

Disclaimer as to information on Ramelius

The information on Ramelius contained in this Target's Statement has been prepared by Musgrave using publicly available information (including information contained in the Bidder's Statement) and has not been independently verified by Musgrave. Accordingly, subject to the Corporations Act, Musgrave does not make any representation or warranty (express or implied) as to the accuracy or completeness of such information.

Ramelius maintains a website at <https://www.rameliusresources.com.au/>. Information contained in or otherwise accessible through this website is not part of this Target's Statement. All references to this website in this Target's Statement are for information purposes only.

Mineral Resources, Production Target's and forward-looking information

The Mineral Resource estimates for the Break of Day, Lena, White Heat-Mosaic, Big Sky, Numbers, Leviticus, Jasper Queen, Gilt Edge, Rapier South, the Hollandaire Gold Cap and Hollandaire Copper-Gold deposits in this Target's Statement were first disclosed in Musgrave's ASX announcement released on 31 May 2022, titled "Cue

Mineral Resource Increases to 927,000 ounces". Musgrave confirms that it is not aware of any new information or data that materially affects the information included in the previous announcement of these Mineral Resource estimates and that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the previous announcement continue to apply and have not materially changed.

The production targets and forecast financial information referred to in this Target's Statement were first disclosed in Musgrave's ASX announcement released on 17 April 2023, titled "Potential value of the Cue Gold Project demonstrated by Stage 1 Prefeasibility Study". Musgrave confirms that all the material assumptions underpinning the production targets and the forecast financial information derived from the production targets in the announcement continue to apply and have not materially changed.

Diagrams, charts, maps, graphs and tables

Any diagrams, charts, maps, graphs and tables appearing in this Target's Statement are illustrative only and may not be drawn to scale.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Target's Statement are subject to the effect of rounding (unless otherwise stated). Accordingly, the actual calculation of these figures may differ from the figures detailed in this Target's Statement, and any discrepancies in any table between totals and sums of amounts listed in that table or to previously published figures are due to rounding.

Currency

All references in this Target's Statement to "\$", "A\$" "AUD" Australian dollars" are to Australian currency.

Notice to Foreign Shareholders

The release, publication and distribution of this Target's Statement may be restricted by law or regulation in some

jurisdictions outside Australia. Accordingly, persons outside Australia who come into possession of this Target's Statement should seek advice and observe 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 contained 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 law and regulations outside Australia.

Privacy and personal information

Musgrave has collected your information from the Musgrave Register for the purpose of providing you with this Target's Statement. Such information may include the name, contact details and shareholdings of Musgrave Shareholders and the names of persons appointed to act as proxy, attorney or corporate representative of Musgrave Shareholders. Without this information, Musgrave would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of Musgrave Shareholders to be held in a public register. Personal information of the type described above may be disclosed to Musgrave, Ramelius and their registries, print and mail and other service providers, authorised securities brokers, Related Bodies Corporate of Musgrave and Ramelius, and may be required to be disclosed to regulators, such as ASIC. Musgrave Shareholders have certain rights to access personal information that has been collected. Musgrave Shareholders should contact the Share Registry in the first instance, if they wish to access their personal information. Musgrave Shareholders who appoint a named person to act as their proxy, attorney or corporate representative should ensure that they inform that person of these matters.

Musgrave Shareholder Information Line

If you have any questions in relation to the Ramelius Offer, please contact the Musgrave Shareholder Information Line on 1300 918 438 from within Australia or +61 3 9415 4634 from overseas on Monday to Friday between 8:30am and 5:00pm (AEST).

1 REASONS TO ACCEPT THE RAMELIUS OFFER

The Musgrave Directors have considered the advantages and disadvantages of the Ramelius Offer and unanimously recommend that you **ACCEPT** the Ramelius Offer, in the absence of a Superior Proposal.

The reasons for this recommendation are set out below and include those set out in the letter sent to Musgrave Shareholders on 3 July 2023.

The Musgrave Directors recommend that you accept the Ramelius Offer promptly to ensure that your acceptance is received before the closing date of the Ramelius Offer at **7:00pm (Sydney time) on 18 August 2023** (unless extended). You should not assume that the Ramelius Offer Period will be extended.

Each Musgrave Director has agreed to **ACCEPT** all Musgrave Shares they own or Control into the Ramelius Offer.

Specifically, each Musgrave Director has agreed to accept, or procure the acceptance of, all Musgrave Shares they own or Control into the Ramelius Offer by no later than five (5) days after the commencement of the Ramelius Offer Period, subject to the ability to terminate the agreements if a Superior Proposal arises before five (5) days after the commencement of the Ramelius Offer Period.

The Musgrave Directors acknowledge that there may be risks associated with accepting or not accepting the Ramelius Offer, as highlighted in Section 7 of this Target's Statement, and that each Musgrave Shareholder's risk profile, investment strategy, tax position and financial circumstances are different. If in any doubt as to what to do, Musgrave Shareholders should obtain financial advice from their broker or financial adviser on the Ramelius Offer and taxation advice on the effect of accepting the Ramelius Offer.

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

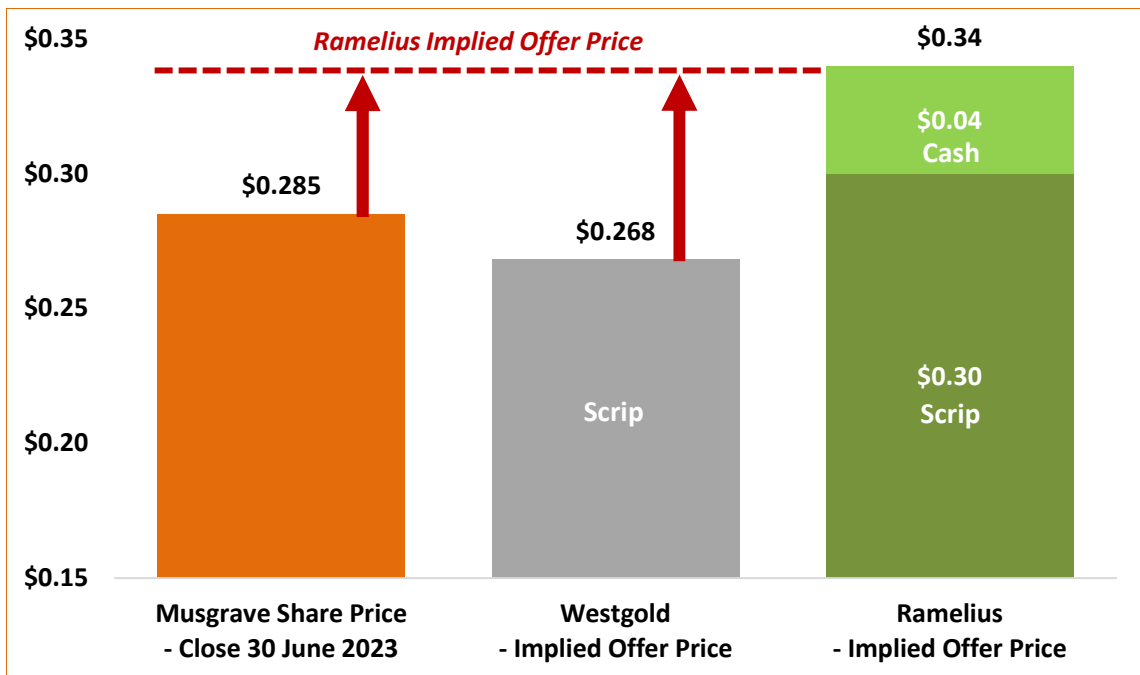
- read and carefully consider the whole of the Target's Statement and the Bidder's Statement;
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and
- obtain independent advice from your investment, financial, tax or other professional adviser on the effect of accepting the Ramelius Offer.

1.1 **The Ramelius Offer Consideration represents significant premiums to the undisturbed trading prices of Musgrave Shares, and a premium to the Westgold Offer**

The following chart shows the implied value of the Ramelius Offer versus the implied value of the Westgold Offer versus the Musgrave Share price as of 30 June 2023².

² Based on the closing price of Westgold Shares on ASX of \$1.44 and the 1-day VWAP of Ramelius Shares on ASX of \$1.263 on 30 June 2023. The implied offer price for the Ramelius Offer and Westgold Offer will change with fluctuations in the respective share prices over time.

Musgrave Share Price vs Implied Westgold Offer Price vs Ramelius Offer Price



Ramelius Recommended Offer

The Ramelius Offer Consideration one (1) Ramelius Share for every 4.21 Musgrave Shares held and \$0.04 cash per Musgrave Share, implies a value of \$0.34 per Musgrave Share based on the 1-day VWAP for Ramelius Shares on 30 June 2023, the last trading day prior to the Announcement Date.³

The Ramelius Offer Consideration represents attractive premia of:

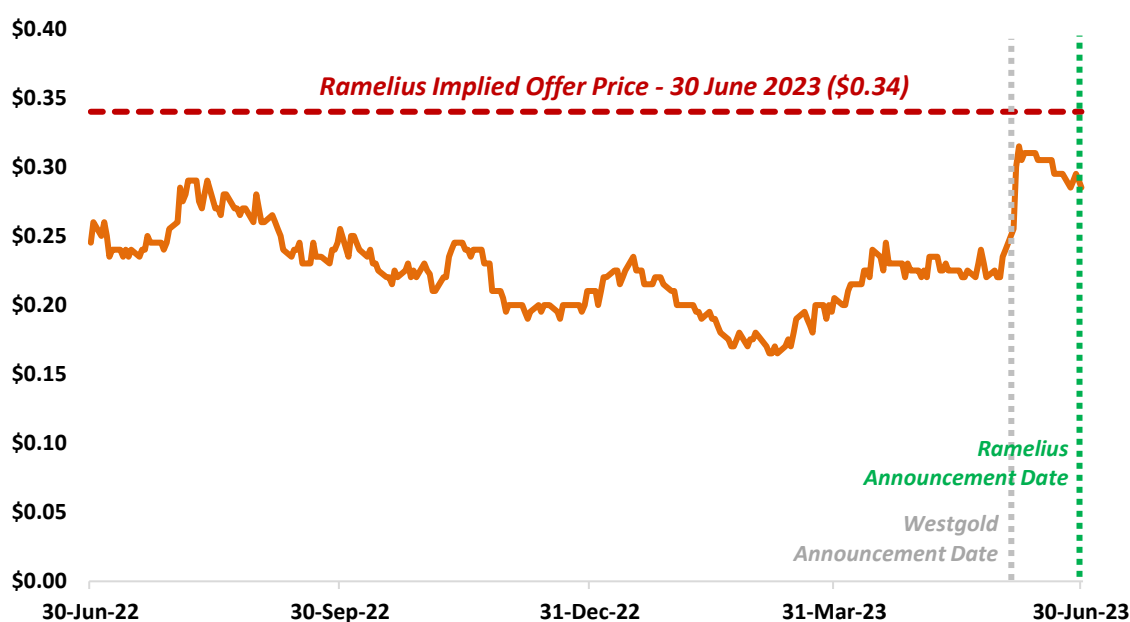
- 19% to the closing price of \$0.285 per Musgrave Share on 30 June 2023;
- 39% to the undisturbed 5-day VWAP of \$0.245 per Musgrave Share as at 5 June 2023;
- 47% to the undisturbed 30-day VWAP of \$0.232 per Musgrave Share as at 5 June 2023; and
- 54% to the undisturbed 60-day VWAP of \$0.221 per Musgrave Share as at 5 June 2023.

This Ramelius Offer Consideration represents an attractive premia of 27% compared to the implied Westgold Offer price of \$0.268 per Musgrave Share on 30 June 2023.

The trading price of Musgrave Shares on the ASX for the past 12 months compared to the implied Ramelius Offer price as at 30 June 2023, the last practicable date prior to the Announcement Date, is presented below.

³ The implied offer price for the Ramelius Offer will change with fluctuations in the share price over time.

Musgrave Share Price vs Implied Ramelius Offer Price – Past 12 Months



1.2 Ramelius will acquire 12.13% interest in Musgrave via pre-bid acceptance agreements with the Musgrave Board and the largest Musgrave Shareholder

Each of the Musgrave Directors have entered into binding pre-bid acceptance agreements in respect of all the Musgrave Shares they own or Control to accept, or procure the acceptance, of the Ramelius Offer by no later than five (5) days after the Ramelius Offer has opened, subject to the ability to terminate the agreements if a Superior Proposal arises before five (5) days after the commencement of the Ramelius Offer Period. The Musgrave Directors have Voting Power of approximately 2.43% in 14,372,664 Musgrave Shares as at the Announcement Date.

In addition, Westminex Pty Ltd (and associated entities), which is the largest Musgrave Shareholder as at the Announcement Date, has supported the Ramelius Offer by signing a pre-bid agreement in respect of their 57,338,325 Musgrave Shares (representing 9.70%) on the same terms as the Musgrave Directors.

The total level of pre-bid commitments is approximately 12.13%.

1.3 The recommended offer provides increased certainty of value for Musgrave Shareholders

The cash component of the Ramelius Offer Consideration provides a certainty of value for approximately 11.7% of the consideration. In addition, Ramelius is a more liquid stock than Musgrave, providing enhanced investment flexibility.

Over the three (3) months on ASX up to and including 5 June 2023⁴, an average value of \$8.5 million of Ramelius Shares traded per day, compared to \$0.17 million of Musgrave Shares per day in the same period.

1.4 Opportunity to become a Ramelius Shareholder, which has a history of cash generation and dividend payments

Musgrave Shareholders who decide to retain Ramelius Shares forming part of the Ramelius Offer Consideration will become shareholders in a financially strong, dividend paying gold

⁴ The last trading day prior to announcement of the Westgold Offer.

producer with two existing production centres in Western Australia, a proven management team and a track record of growth and shareholder returns.

Ramelius is a constituent of the S&P/ASX 300 Index and the NYSE Arca Gold Miners Index, which is tracked by the VanEck Gold Miners ETF (GDX), and as such, has a strong and diverse shareholder base, which is underpinned by a significant institutional presence.

The addition of a high-quality development asset such as the Cue Gold Project is consistent with Ramelius' growth strategy and highly complementary to Ramelius' existing portfolio of operational assets.

1.5 Allows Musgrave Shareholders to reduce their exposure to risks associated with potential development of the Cue Gold Project

As shareholders in a single asset company, Musgrave Shareholders are currently subject to significant uncertainty and risks arising from the potential development of the Cue Gold Project.

The risks currently faced by Musgrave Shareholders with regards to the Cue Gold Project include labour shortages and inflationary pressures being experienced in the Western Australian labour market, and the associated challenges of establishing a team with the required skills and experience to develop the Cue Gold Project into an operating mine.

In contrast, Ramelius has two existing production centres in Western Australia and an established workforce with strong operational and development experience, putting Ramelius in a stronger position to develop the Cue Gold Project and maximise the value for the benefit of shareholders. In addition, Ramelius, on the Announcement Date, announced that for the financial year ended June 2023, its cash and gold balance is \$272.1 million, which includes the cash acquired as part of the recent purchase of Breaker Resources NL but more importantly a net cash generation from the business of \$42.6 million for the March 2023 quarter.

Accepting the Ramelius Offer will allow Musgrave Shareholders to significantly reduce their exposure to the risks associated with potential development of the Cue Gold Project.

1.6 The recommended offer will allow Musgrave Shareholders to possibly avoid future equity dilution

Given the Cue Gold Project's current early stage of development, any decision by Musgrave to fund the development of the Cue Gold Project is likely to lead to the future equity dilution of existing Musgrave Shareholders, to the extent they do not participate.

In contrast, Ramelius is in a strong financial position, with two existing cash generating production centres (the Mt Magnet operation approximately 40km to the south of the Cue Gold Project has an existing processing facility) and has additional borrowing capacity to provide alternative funding sources to develop the Cue Gold Project without dilution of Musgrave Shareholders.

1.7 No Superior Proposal has emerged

As at the date of this Target's Statement, Musgrave has not received any alternative proposal from any party intending to make a Superior Proposal and your Musgrave Directors are not aware of any other offer or proposal which might be made as an alternative to the Ramelius Offer. Should such a proposal arise, your Musgrave Directors will reconsider their recommendation and inform you accordingly.

As at the date of this Target's Statement, the only competing proposal is the prior Westgold Offer. On 4 July 2023, Westgold released an ASX announcement advising that:

"Westgold's Offer will close at 5:00pm (AWST) on Monday, 24 July 2023 and any acceptances will be null and void."

Based on the announced statement from Westgold, Musgrave Shareholders should not accept the Westgold Offer given acceptances into the Westgold Offer will be null and void.

Musgrave Shareholders should note that the Musgrave Directors' previously announced their reasons for their recommendation that Musgrave Shareholders reject the Westgold Offer pursuant to the target's statement released by Musgrave on 3 July 2023 in relation to the Westgold Offer.

Musgrave Directors consider that Ramelius' Offer (being valued at \$0.34) is superior, being 27% higher than the implied Westgold Offer price of \$0.268⁵⁵. On 4 July 2023, Westgold announced that it does not intend to improve the consideration offered under the Westgold Offer, nor to vary the Westgold Offer by extending the period or releasing any of its defeating conditions. Westgold noted that any acceptances of the Westgold Offer will be null and void. This means that if you have already accepted the Westgold Offer and the Westgold Offer lapses, you are free to deal with your Musgrave Shares notwithstanding that you have accepted the Westgold Offer.

The Musgrave Directors acknowledge that reasons in Sections 1.5 and 1.6 could be considered in parts to be equally applicable to the Westgold Offer. In addition, the reasons the Musgrave Directors previously recommended that Musgrave Shareholders reject the Westgold Offer included that "Musgrave delivers immediate growth to Westgold" and "Musgrave Shareholders may face adverse tax consequences if they accept the Westgold Offer" could also apply to the Ramelius Offer.

The Musgrave Directors also acknowledge that their recommendation to reject the Westgold Offer due to the timing of that offer could also be applicable to the Ramelius Offer.

However, the Musgrave Directors carefully considered the Ramelius Offer against the Westgold Offer and determined that on balance the Ramelius Offer is superior and accordingly, recommend that Musgrave Shareholders accept the Ramelius Offer for the reasons outlined above and in Musgrave's ASX announcements released on 3 July 2023.

⁵⁵ Based upon the closing price of Westgold shares on ASX of \$1.44 on 30 June 2023.

2 OVERVIEW

2.1 Summary of the Ramelius Offer

Ramelius is offering to acquire all of your Musgrave Shares for one (1) Ramelius Share for every 4.21 Musgrave Shares held and \$0.04 in cash for every Musgrave Share held. The Ramelius Offer also extends to Musgrave Shares that are issued during the Ramelius Offer Period as a result of the exercise of Musgrave Options. The Ramelius Offer is subject to various conditions, which are outlined in Section 8.3 of this Target's Statement and section 13.8 of the Bidder's Statement. Refer to the Bidder's Statement for full particulars of the Ramelius Offer.

2.2 Recommendation of the Musgrave Directors

The Musgrave Directors have carefully considered the Ramelius Offer and unanimously recommend that Musgrave Shareholders **ACCEPT** the Ramelius Offer, in the absence of a Superior Proposal.

This Target's Statement details the formal response of Musgrave to the Ramelius Offer, including the reasons why the Musgrave Directors unanimously recommend that you **ACCEPT** the Ramelius Offer, in the absence of a Superior Proposal. The key reasons for the recommendation are detailed in Section 1.

2.3 Intentions of the Musgrave Directors

Each Musgrave Director who holds or controls Musgrave Shares intends to accept the Ramelius Offer in respect of the Musgrave Shares they own or control. Refer to Section 10.2 for further details on the pre-bid acceptance agreements entered into by each of the Musgrave Directors.

Refer to Section 10.3 of this Target's Statement for further details on the Musgrave Directors' interests in Musgrave Shares.

2.4 What to Do Next

As a Musgrave Shareholder, you have the following choices in respect of your Musgrave Shares:

- (a) **ACCEPT** the Ramelius Offer if you agree with the Musgrave Directors unanimous recommendation to **ACCEPT** the Ramelius Offer;
- (b) sell some or all of your Musgrave Shares on-market (unless you have already accepted the Ramelius Offer); or
- (c) do nothing in relation to the Ramelius Offer.

If you are in any doubt as to what to do, the Musgrave Directors recommend that you consult with your investment, financial, taxation or other professional adviser. Refer to Section 4 of this Target's Statement for further details.

If you have already accepted the Westgold Offer and the Westgold Offer lapses as outlined in Section 1.7, you are free to deal with your Musgrave Shares notwithstanding that you have accepted the Westgold Offer.

2.5 Key Dates

Announcement Date	3 July 2023
Lodgement of Bidder's Statement	11 July 2023
Ramelius Offer Opens	13 July 2023

Lodgement of Target's Statement	13 July 2023
Date for notice on the status of conditions	11 August 2023
Ramelius Offer Closes (unless extended or withdrawn*)	7:00pm (Sydney time) on 18 August 2023

* The Ramelius Offer may be extended to the extent permitted under the Corporations Act.

3 FREQUENTLY ASKED QUESTIONS

The following table provides brief answers to questions you may have in relation to the Ramelius Offer but must be read in conjunction with the more detailed information included in this Target's Statement and the Bidder's Statement. You are urged to read the Bidder's Statement and this Target's Statement in their entirety.

QUESTION	ANSWER	REFERENCE
Who is Ramelius and the Bidder?	<p>Ramelius is making the Ramelius Offer through the Bidder, its wholly-owned Subsidiary, Mt Magnet Gold Pty Ltd (ABN 66 008 669 556).</p> <p>Ramelius is an ASX listed company involved in the exploration, development and production of gold in Western Australia.</p> <p>In FY23, Ramelius produced 240,996 ounces of fine gold at an AISC⁶ of between A\$1,750-1,950 per ounce⁷. Ramelius posted a net profit after tax of \$12.4 million for FY22⁸ and \$29.1 million for the 6 months to December 2022⁹.</p> <p>As of 30 June 2023, Ramelius had approximately \$272 million in cash and gold bullion,¹⁰ with no debt.</p> <p>Under the Bid Implementation Agreement, Ramelius has agreed to guarantee that the Bidder performs and observes its obligations under the Bid Implementation Agreement.</p> <p>Refer to section 4 of the Bidder's Statement and Section 6 for information on Ramelius.</p>	Section 6
Does Ramelius already have an interest in Musgrave Shares?	As at the Last Practicable Date, Ramelius' Voting Power in Musgrave was 12.13% and Ramelius had a Relevant Interest in 71,710,989 Musgrave Shares.	Section 6.6
What is the Ramelius Offer for my Musgrave Shares?	<p>Ramelius has made an off-market offer to acquire each of your Musgrave Shares for consideration of one (1) Ramelius Share for every 4.21 Musgrave Shares held and \$0.04 in cash for every Musgrave Share held.</p> <p>The Ramelius Offer also extends to Musgrave Shares that are issued during the Ramelius Offer Period as a result of the exercise of Musgrave Options.</p> <p>If you are a Foreign Shareholder or an</p>	Section 8.12

⁶ Please refer to "Non-IRFS information within the Important Notices section for information regarding AISC.

⁷ Costs are still being finalised for the financial year with the FY 2023 AISC being expected to be within the upper end of cost guidance.

⁸ As reported by Ramelius in its ASX announcement dated 29 August 2022.

⁹ As reported by Ramelius in its ASX announcement dated 21 February 2023.

¹⁰ As reported by Ramelius in its ASX announcement dated 3 July.

QUESTION	ANSWER	REFERENCE
	<p>Unmarketable Parcel Shareholder, you will not be issued Ramelius Shares. Instead, you will be paid by the Nominee the net proceeds of the sale of the Ramelius Shares you would have been entitled to. Refer to Section 8.12 for further details.</p> <p>Entitlements to fractions of Ramelius Shares will be rounded up to the nearest whole number.</p>	
<p>What is the Bidder's Statement?</p>	<p>The Bidder's Statement is the document prepared by Ramelius which outlines the terms of the Ramelius Offer. Ramelius lodged its Bidder's Statement with ASIC on 11 July 2023 and has sent it to all Musgrave Shareholders as at the date specified in the Bidder's Statement.</p> <p>If you have not received a copy of the Bidder's Statement or have misplaced it, you are encouraged to call the Musgrave Shareholder Information Line on 1300 918 438 from within Australia or +61 3 9415 4634 from overseas on Monday to Friday between 8:30am and 5:00pm (AEST).</p>	-
<p>What is the Target's Statement?</p>	<p>This Target's Statement is Musgrave's formal response to the Ramelius Offer, as required by the Corporations Act. Accordingly, this document has been prepared by Musgrave and contains important information to help you decide whether to accept the Ramelius Offer.</p>	-
<p>What choices do I have as a Musgrave Shareholder?</p>	<p>As a Musgrave Shareholder you can either:</p> <ul style="list-style-type: none"> • ACCEPT the Ramelius Offer if you agree with the Musgrave Directors' unanimous recommendation to ACCEPT the Ramelius Offer, in the absence of a Superior Proposal; • sell some or all of your Musgrave Shares on-market (unless you have already accepted the Ramelius Offer); or • do nothing in relation to the Ramelius Offer. <p>There are several implications in relation to each of the above choices. A summary of these implications is set out in Section 4 of this Target's Statement.</p> <p>If you are in any doubt as to what to do, the Musgrave Directors recommend that you consult with your investment, financial, taxation or other professional adviser. Refer to Section 4 of this Target's Statement for further details.</p>	Section 4
<p>What are the</p>	<p>The Musgrave Directors unanimously recommend</p>	Section 1

QUESTION	ANSWER	REFERENCE
Musgrave Directors recommending?	that you ACCEPT the Ramelius Offer, in the absence of a Superior Proposal. The reasons for the Musgrave Directors' recommendation are detailed in Section 1. If there is a change in this recommendation or any material development in relation to the Ramelius Offer, Musgrave will lodge a supplementary target's statement.	
What do the Musgrave Directors intend to do with their Musgrave Shares?	<p>Each Musgrave Director who holds or controls Shares intends to accept the Ramelius Offer in respect of the Musgrave Shares they own or control. Refer to Section 10.2 for further details on the pre-bid acceptance agreements entered into by each of the Musgrave Directors.</p> <p>Specifically, each Musgrave Director has agreed to accept, or procure the acceptance of, all Musgrave Shares they own or Control into the Ramelius Offer by no later than five (5) days after the commencement of the Ramelius Offer Period, subject to the ability to terminate the agreements if a Superior Proposal arises before five (5) days after the commencement of the Ramelius Offer Period.</p> <p>Refer to Section 10.3 for further details on the Musgrave Directors' interests in Musgrave securities.</p>	Sections 10.2 and 10.3
Why should I ACCEPT the Ramelius Offer?	<p>The Musgrave Directors consider you should ACCEPT the Ramelius Offer because:</p> <ul style="list-style-type: none"> • The Ramelius Offer Consideration represents significant premiums to the undisturbed trading prices of Musgrave Shares, and a premium to the original and currently implied Westgold Offer; • Ramelius will acquire a 12.13% interest in Musgrave via pre-bid acceptance agreements with the Musgrave Board and the largest Musgrave Shareholder, providing greater certainty in relation to the success of the Ramelius Offer; • The Ramelius Offer includes a portion of cash which provides increased certainty of value for Musgrave Shareholders; • The Ramelius Offer represents an opportunity to become a Ramelius Shareholder, which has a history of cash generation and dividend payments; • The Ramelius Offer allows Musgrave Shareholders to reduce their exposure to risks associated with potential development of the Cue Gold Project; 	Section 1

QUESTION	ANSWER	REFERENCE
	<ul style="list-style-type: none"> • The Ramelius Offer will allow Musgrave Shareholders to possibly avoid future equity dilution; and • No Superior Proposal has emerged. 	
<p>How do I accept the Ramelius Offer?</p>	<p>To accept the Ramelius Offer, you should follow the instructions set out on the acceptance form that accompanies the Bidder's Statement.</p> <p>You may only accept the Ramelius Offer in respect of all of the Musgrave Shares held by you.</p>	-
<p>What are the risks of accepting or rejecting the Ramelius Offer?</p>	<p>A non-exhaustive list of the key risks in accepting or rejecting the Ramelius Offer are set out in Section 7 of this Target's Statement.</p>	Section 7
<p>How long will the Ramelius Offer be open for acceptance?</p>	<p>The Ramelius Offer is scheduled to close at 7:00pm (Sydney time) on 18 August 2023 as specified in the Bidder's Statement, unless it is extended or withdrawn in accordance with the Corporations Act.</p> <p>Refer to Section 8.8 for details of the circumstances in which the Ramelius Offer Period can be extended.</p>	Section 8.8 and section 13.2 of the Bidder's Statement
<p>Can the Ramelius Offer be varied?</p>	<p>Ramelius may vary the Ramelius Offer in any of the ways permitted by the Corporations Act, including by extending the Ramelius Offer Period or by increasing the Ramelius Offer Consideration, provided the varied terms and conditions are not less favourable to Musgrave Shareholders than the Ramelius Offer. If Ramelius varies the Ramelius Offer in any of those ways, it must give written notice to ASIC and Musgrave and send you a copy of that notice (provided, however, that Ramelius will not be required to send you a copy of the notice if, at the time of the variation, you have already accepted the Ramelius Offer, the Ramelius Offer is unconditional and the variation merely extends the Ramelius Offer Period).</p>	Section 13.14 of the Bidder's Statement
<p>Is the Ramelius Offer conditional?</p>	<p>The Ramelius Offer is subject to a number of conditions which are detailed in Section 8.3, including the following conditions which remain outstanding:</p> <ul style="list-style-type: none"> • 50.1% minimum acceptance by Musgrave Shareholders; • No prescribed occurrences in relation to Musgrave; • No material adverse change in relation to Musgrave or Ramelius; and 	Section 8.3 and section 13.8 of the Bidder's Statement

QUESTION	ANSWER	REFERENCE
	<ul style="list-style-type: none"> • No adverse regulatory event affecting the Ramelius Offer, Musgrave or its assets. <p>Refer to section 13.8 of the Bidder's Statement and Section 8.3 for further details regarding the Ramelius Offer Conditions.</p>	
<p>What are the consequences of accepting the Ramelius Offer now, while it remains conditional?</p>	<p>If you accept the Ramelius Offer, then unless you are able to subsequently withdraw your acceptance, you will:</p> <ul style="list-style-type: none"> • no longer have the same level of exposure to Musgrave's assets and projects; • not be able to sell your Musgrave Shares on-market; • be unable to accept any other competing offer that emerges; and • give up your right to otherwise deal with your Musgrave Shares. <p>Refer to Sections 7.2 and 8.10 of this Target's Statement for further details.</p>	<p>Sections 7.2 and 8.10</p>
<p>If I accept the Ramelius Offer now, can I withdraw my acceptance?</p>	<p>You cannot withdraw or revoke your acceptance unless a withdrawal right arises under the Corporations Act. A withdrawal right will arise if, after you have accepted the Ramelius Offer, Ramelius varies the Ramelius Offer in a way that postpones, for more than one month, the time that Ramelius has to meet its obligations under the Ramelius Offer.</p>	<p>Section 13.5 of the Bidder's Statement</p>
<p>When will I receive the Ramelius Offer Consideration if I accept the Ramelius Offer?</p>	<p>If you accept the Ramelius Offer and the Ramelius Offer is, or becomes, unconditional, you will be provided the Ramelius Offer Consideration on the earlier of:</p> <ul style="list-style-type: none"> • one month after you accept the Ramelius Offer, or if the Ramelius Offer is subject to a defeating condition when you accept the Ramelius Offer, within one month after the Ramelius Offer becomes unconditional; and • 21 days after the end of the Ramelius Offer Period. <p>Foreign Shareholders and Unmarketable Parcel Shareholders will be provided with the net proceeds from the sale of their Ramelius Shares to which they are entitled under the Ramelius Offer at a different time.</p>	<p>Section 13.6 of the Bidder's Statement</p>

QUESTION	ANSWER	REFERENCE
	Refer to section 13.6 of the Bidder's Statement for further details.	
<p>What is the offer in respect of Musgrave Options?</p>	<p>As they are a separate class of securities, the Ramelius Offer does not include Musgrave Options.</p> <p>However, Musgrave Optionholders whose Musgrave Options are exercised during the Ramelius Offer Period will be able to accept the Ramelius Offer in respect of the Musgrave Shares they are issued.</p> <p>The vesting of the Musgrave Options may be accelerated upon Ramelius acquiring Control of Musgrave and the Ramelius Offer becoming unconditional.</p> <p>Under the terms of the Bid Implementation Agreement, Ramelius must make an offer to acquire the Musgrave Options upon the Ramelius Offer becoming unconditional and subject to any necessary ASX waivers.</p> <p>Refer to section 13.3 of the Bidder's Statement and Section 5.11 for more information.</p>	<p>Section 5.11 and section 13.3 of the Bidder's Statement</p>
<p>What if I am a Foreign Shareholder or Unmarketable Parcel Shareholder?</p>	<p>Foreign Shareholders and Unmarketable Parcel Shareholders that accept the Ramelius Offer will not receive Ramelius Shares. Rather, the Ramelius Shares that Foreign Shareholders and Unmarketable Parcel Shareholders would have been entitled to receive will be issued to, and sold by, a Nominee and the net proceeds attributable to each Foreign Shareholder or Unmarketable Parcel Shareholder will be paid to them by cheque in Australian dollars.</p> <p>Foreign Shareholders and Unmarketable Parcel Shareholders should read sections 12.5 and 13.7 of the Bidder's Statement, which provides further information for Foreign Shareholders and Unmarketable Parcel Shareholders about the Nominee sale process. Ramelius' determination as to whether a Musgrave Shareholder is a Foreign Shareholder or Unmarketable Parcel Shareholder is final.</p> <p>Depending on the Foreign Shareholder's particular circumstances, a portion of the Ramelius Offer Consideration may be withheld by Ramelius and paid to the Commissioner on account of foreign resident capital gains withholding tax.</p>	<p>Section 8.12 and sections 12.5 and 13.7 of the Bidder's Statement</p>
<p>Will I pay stamp duty or brokerage if I accept the</p>	<p>No Brokerage or stamp duty will be payable by you in respect of your acceptance of the Ramelius Offer.</p>	<p>Section 13.15 of the Bidder's Statement</p>

QUESTION	ANSWER	REFERENCE
Ramelius Offer?	If your Musgrave Shares are registered in a CHES Holding, or if you are a beneficial owner whose Musgrave Shares are registered in the name of a broker, bank custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Ramelius Offer.	
What are the consequences of the Ramelius Offer becoming unconditional?	If you accept the Ramelius Offer and the Ramelius Offer becomes unconditional, you will be entitled to receive one (1) Ramelius Share for every 4.21 Musgrave Shares you hold and \$0.04 in cash for every Musgrave Share you hold.	Section 13.6 of the Bidder's Statement
What happens if I do nothing?	<p>You will remain a Musgrave Shareholder.</p> <p>If Ramelius acquires a Relevant Interest in at least 90% of Musgrave Shares and the Ramelius Offer becomes unconditional, Ramelius intends to compulsorily acquire the remaining Musgrave Shares.</p> <p>If Ramelius acquires a Relevant Interest in more than 50%, but less than 90% of the Musgrave Shares and the Ramelius Offer becomes unconditional, Ramelius intends to investigate the removal of Musgrave from the official list of ASX (if it becomes entitled to do so).</p> <p>Refer to section 8 of the Bidder's Statement for details in relation to Ramelius' intentions in relation to Musgrave.</p>	Sections 8.3 and 8.4 of the Bidder's Statement
What if I want to sell my Musgrave Shares on ASX?	<p>During the Ramelius Offer Period, you may sell some or all of your Musgrave Shares on ASX for cash provided you have not accepted the Ramelius Offer. Before doing so, you should consider the implications of this course of action, including that you would not receive the benefit of any increase in the Ramelius Offer Consideration that may emerge. You will also forfeit the ability to accept any Superior Proposal that may emerge. If you sell your Musgrave Shares on ASX, you may incur a brokerage charge.</p> <p>It is important to note that if you accept the Ramelius Offer now, unless withdrawal rights are available (see below), you will give up your right to sell your Musgrave Shares or otherwise deal with your Musgrave Shares while the Ramelius Offer remains open.</p>	-
Can I be forced to sell my Musgrave Shares?	You cannot be forced to sell your Musgrave Shares unless Ramelius acquires a Relevant Interest in at least 90% of all the Musgrave Shares during, or at the end of the Ramelius Offer Period, and becomes	Section 8.13 and section 8.3 of the Bidder's Statement

QUESTION	ANSWER	REFERENCE
	<p>eligible to compulsorily acquire your Musgrave Shares and proceeds with that compulsory acquisition. If Ramelius proceeds to compulsory acquisition, you will be provided the last Ramelius Offer Consideration offered by Ramelius for the Musgrave Shares before the end of the Ramelius Offer Period.</p>	
<p>Does this Target's Statement contain an independent expert's report?</p>	<p>No, this Target's Statement does not contain an independent expert's report. An independent expert's report is only required to be included in a target's statement where the bidder's Voting Power in Musgrave is 30% or more, or if a director of Musgrave is a bidder or a director of the bidder company. This requirement does not apply to the Ramelius Offer.</p> <p>In addition, the Musgrave Directors do not consider that an independent expert's report is necessary as the Musgrave Directors consider that the information in this Target's Statement, the Bidder's Statement and publicly available information is sufficient for Musgrave Shareholders to determine whether or not to accept the Ramelius Offer.</p>	-
<p>What happens if the Ramelius Offer Conditions are not satisfied or waived?</p>	<p>If the Ramelius Offer Conditions are not satisfied or waived by the end of the Ramelius Offer Period, the Ramelius Offer will lapse and acceptances will be void.</p> <p>If the Ramelius Offer lapses, you will then be free to deal with your Musgrave Shares even if you had accepted the Ramelius Offer.</p>	Sections 13.8 and 13.10 of the Bidder's Statement
<p>What are the tax implications of accepting the Ramelius Offer?</p>	<p>Refer to Section 9 in respect to the potential Australian tax implications of the Ramelius Offer. Tax implications for accepting the Ramelius Offer for your Musgrave Shares will vary for each individual and you are advised to consult your financial, tax or other professional adviser on the tax implications of acceptance.</p> <p>Importantly the \$0.04 cash portion of the Musgrave Offer will have differing CGT implications where rollover is chosen in respect of your Musgrave Shares.</p> <p>You should not rely on that general outline as advice on your own affairs. It does not deal with the taxation position of particular Musgrave Shareholders. You should seek your own personal, independent financial and taxation advice before making a decision as to whether or not to accept the Ramelius Offer.</p>	Section 9
<p>Is there a number I can</p>	<p>Musgrave has established an offer information line to assist Musgrave Shareholders with queries about</p>	-

QUESTION	ANSWER	REFERENCE
<p>call if I have further queries in relation to the Ramelius Offer?</p>	<p>the Bidder's Statement or how to accept the Ramelius Offer. If you have any queries, you can call the Musgrave Shareholder Information Line on 1300 918 438 from within Australia or +61 3 9415 4634 from overseas on Monday to Friday between 8:30am and 5:00pm (AEST).</p>	
<p>What happens if I have accepted the Westgold Offer?</p>	<p>If you have already accepted the Westgold Offer you cannot withdraw from the Westgold Offer to accept into the Ramelius Offer until the Westgold Offer lapses. Once the Westgold Offer lapses, you are free to deal with your Musgrave Shares.</p> <p>On 4 July 2023, Westgold released an ASX announcement advising that:</p> <p><i>"Westgold's Offer will close at 5:00pm (AWST) on Monday, 24 July 2023 and any acceptances will be null and void."</i></p> <p>Based on the announced statement from Westgold, Musgrave Shareholders should not accept the Westgold Offer given acceptances into the Westgold Offer will be null and void.</p>	<p>-</p>

4 YOUR CHOICES AS A MUSGRAVE SHAREHOLDER

The Musgrave Directors unanimously recommend that Musgrave Shareholders **ACCEPT** the Ramelius Offer. However, as a Musgrave Shareholder, you have the following choices available to you.

4.1 Accept the Ramelius Offer

Musgrave Directors unanimously recommend that Musgrave Shareholders **ACCEPT** the Ramelius Offer.

To accept the Ramelius Offer, follow the instructions detailed in section 13.3 of the Bidder's Statement and on the acceptance form accompanying the Bidder's Statement. Details of the Ramelius Offer Consideration you will receive are outlined in Section 8.1 of this Target's Statement and in section 13.1 of the Bidder's Statement. You will only receive the Ramelius Offer Consideration if the Ramelius Offer Conditions are either satisfied or waived. Refer to section 13 of the Bidder's Statement for full details of the conditions of the Ramelius Offer.

Musgrave encourages you to consider your personal risk profile, investment strategy, tax position and financial circumstances before making any decision in relation to your Musgrave Shares.

4.2 Sell some or all of your Musgrave Shares on-market

During the Ramelius Offer Period, if you have not accepted the Ramelius Offer, you can sell some or all of your Musgrave Shares on market. If you choose to sell, settlement will occur on a normal "T+2" basis and the purchaser of those Musgrave Shares may accept the Ramelius Offer in respect of those Musgrave Shares. There is no guarantee of the price at which the Musgrave Shares will trade from time to time, whether before or after the end of the Ramelius Offer Period. The latest price for the Musgrave Shares may be obtained from the ASX website <http://www.asx.com.au> (ASX: MGV). If you sell any of your Musgrave Shares on market you may incur a brokerage charge.

Musgrave Shareholders who wish to sell their Musgrave Shares on-market should contact their broker for information on how to effect the sale. You should seek your own personal advice regarding the taxation consequences for you of selling the Musgrave Shares on ASX.

4.3 Do nothing

If you do not wish to accept the Ramelius Offer or sell your Musgrave Shares on-market, you can choose to do nothing.

By doing nothing you will continue to remain a Musgrave Shareholder. Musgrave Shareholders should note that if Ramelius acquires a Relevant Interest in at least 90% of all the Musgrave Shares and Ramelius have acquired at least 75% of the Musgrave Shares for which the offers are made under the Ramelius Offer during, or at the end of the Ramelius Offer Period, Ramelius will be entitled to compulsorily acquire the Musgrave Shares it does not already own (refer to Section 8.13 of this Target's Statement for more details). Musgrave Shareholders should also note that there are risks associated with remaining a Musgrave Shareholder (see Section 7.2 of this Target's Statement for more details).

5 INFORMATION ABOUT MUSGRAVE

5.1 Overview of Musgrave

Musgrave is an Australian resources company focused on gold exploration and development at the Cue Gold Project in the Murchison Province of Western Australia. Musgrave was admitted to the official list of the ASX on 28 April 2011.

Musgrave is a 'disclosing entity' for the purposes of the Corporations Act and is therefore subject to regular reporting obligations under the Corporations Act and the Listing Rules. See Section 5.14 for further information.

5.2 Musgrave's main business activities

Musgrave Minerals is a successful Western Australian gold explorer, with a proven track record of high-grade discoveries. Leveraging from this discovery base, Musgrave has commenced development plans to convert its Mineral Resource into a low cost, high margin production project.

Musgrave's cornerstone project is the Cue Gold Project in the Murchison Province of Western Australia where Musgrave holds 100% of the key project tenure containing the existing gold Mineral Resources. Musgrave commenced exploration on the Cue Gold Project in February 2016 and subsequently acquired 100% of the key tenure at the Cue Gold Project in August 2017. Musgrave's objective is to focus on increasing gold resources through exploration and discovery with the near-term goal of delivering a viable path to development.

The Cue Gold Project has estimated Mineral Resources of 12.3Mt at 2.3g/t Au for 927koz Au (Indicated and Inferred Mineral Resources).

5.3 Major Projects

Musgrave recently released the robust Stage 1 Prefeasibility Study (**PFS**) for the Cue Gold Project which indicates a financially attractive standalone project with an initial 5-year life of mine (**LOM**) demonstrating low cost, high margin gold production. The current focus is on upgrading and expanding gold resources through infill and extensional drilling to extend and sustain mine life.

The Stage 1 PFS outcomes demonstrate that Musgrave's Cue Gold Project is one of the highest margin, undeveloped gold projects in Australia. This potential new standalone development has a rapid payback period of 9 months from first processing due to the extraordinary near-surface, high-grade nature of the Break of Day and White Heat deposits.

The Cue Gold Project has an internal rate of return (**IRR**) of 95% (pre-tax) and the potential to deliver over 65,000 ounces of gold annually over an initial 5-year period, including 80,000oz/year for the first 3 years, at an AISC of A\$1,315/oz and AIC of A\$1,675/oz (based on full amortisation of start-up capital). The Cue Gold Project generates cashflow of \$314 million (before tax) and an EBITDA of \$528 million (at A\$2,600/oz) with a C1 cost of A\$934/oz. With this cost profile (based on Q1 2023 capital and operating cost assumptions), the Cue Gold Project is expected to be in the lowest cost quartile of gold producers in Australia.

The Stage 1 PFS predominantly focuses on the current Indicated Mineral Resources at Cue (435koz gold) which constitute only 47% of the total 927koz gold Resource base. The Stage 1 PFS includes the mining of 6 open pit deposits (Break of Day, White Heat, Lena, Big Sky, Numbers and Leviticus) and an initial 2 years of gold production from the upper levels of an underground mine at Break of Day.

Further development studies aim to add mine life through the extension and conversion of existing Inferred Mineral Resources to the higher confidence Indicated Mineral Resource category, together with the potential inclusion of newly discovered resources. The Musgrave team has been very successful in defining new targets, making new discoveries and growing the resource base. The Cue Gold Project has significant upside growth potential with recent

discoveries like Amarillo and Waratah having the potential to add to the resource base in 2023.

Musgrave has established an exploration pipeline to further sustained production at the Cue Gold Project, with further exploration at Cue planned, along with recent acquisitions of neighbouring, under explored, tenement packages in Mainland and Mount Magnet South.

Please refer to Musgrave's ASX announcement titled "Potential value of the Cue Gold Project demonstrated by Stage 1 Prefeasibility Study" released on 17 April 2023 for the full details of the Stage 1 PFS. Musgrave Shareholders are encouraged to read that announcement in detail, in particular the material assumptions underpinning the Stage 1 PFS disclosed throughout that announcement and the extensive risks disclosures in section 18 of that announcement (pages 105 – 111), including but not limited to risks relating to capital expenditure costs required to develop the Cue Gold Project, economic factors, inflation and supply chain risks, mineral resource risks and regulatory risks.

Cautionary Statement

Note: The production target and forecast financial information referred to in the Stage 1 PFS comprise Indicated Mineral Resources (approximately 77%) and Inferred Mineral Resources (approximately 23%). The production has been scheduled such that <7% by tonnage and <1.7% by gold ounces of the Inferred material is mined and processed in the first year (during the payback period), with the remainder mined through to the end of the mine life. The Inferred Mineral Resource material does not have a material effect on the technical and economic viability of the Cue Gold Project. There is a lower level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

The production target and forecast financial information referred to in this announcement were first disclosed in Musgrave's ASX announcement of 17 April 2023, titled "Potential value of the Cue Gold Project demonstrated by Stage 1 Prefeasibility Study". Musgrave confirms that all the material assumptions underpinning the production target and the forecast financial information derived from the production target in the above announcement continue to apply and have not materially changed.

5.4 Musgrave's Mineral Resources

The Cue Gold Project has total estimated Mineral Resources of 12.3Mt at 2.3g/t Au for 927koz Au (Indicated and Inferred Mineral Resources). The full technical descriptions and requisite disclosures for the Mineral Resource Estimate can be found in Musgrave's ASX announcement dated 31 May 2022, "Cue Mineral Resource Increases to 927,000 ounces".

Musgrave Mineral Resource Estimate

Deposit	Indicated Resources			Inferred Resources			Total Resources		
	Tonnes Mt	Au g/t	Au koz	Tonnes Mt	Au g/t	Au koz	Tonnes Mt	Au g/t	Au koz
CGP Mineral Resource Estimate									
Break of Day High-Grade Trend									
Break of Day	451	12.1	176	346	7.7	86	797	10.2	262
White Heat	116	14.1	52	70	5.8	13	185	11.0	65
Total High-Grade Trend	567	12.5	228	416	7.4	99	982	10.4	327
Mid-Grade Trend									
Lena	2,253	1.7	121	2,053	3.1	204	4,305	2.3	325
Big Sky	1,170	1.3	48	3,480	1.1	125	4,650	1.2	173
Leviticus				42	6.0	8	42	6.0	8
Numbers	438	1.4	19	378	1.3	16	817	1.3	35
Total Mid-Grade Trend	3,861	1.5	188	5,953	1.8	353	9,815	1.7	541
Total	4,427	2.9	417	6,369	2.2	452	10,797	2.5	868

Deposit	Indicated Resources			Inferred Resources			Total Resources		
	Tonnes Mt	Au g/t	Au koz	Tonnes Mt	Au g/t	Au koz	Tonnes Mt	Au g/t	Au koz
Mineral Resource Estimate for other deposits at Cue not included in the Stage 1 PFS									
*Hollandaire (MGV Attributable)	436	0.3	4	121	0.4	2	557	0.3	6
Hollandaire Gold Cap	197	1.3	9	62	1.2	2	260	1.3	11
Rapier South				258	1.7	14	258	1.7	14
Total Eelya	633	0.6	13	441	1.3	18	1,075	0.9	31
Jasper Queen				332	1.7	19	332	1.7	19
Gilt Edge	69	2.6	6	34	3.6	4	102	2.9	10
Total Tuckabianna	69	2.6	6	365	1.9	23	434	2.0	28
Grand Total Cue	5,129	2.6	435	7,175	2.1	492	12,306	2.3	927

Note: Due to the effects of rounding, the totals may not represent the sum of all components.

The Hollandaire Mineral Resource estimate is on a 20% attributable interest to Musgrave in the Hollandaire deposit (Musgrave free carried to completion of a definitive feasibility study). Totals are on an attributable interest basis. Gold mineralisation not associated with the copper resource at Hollandaire, that is 100% attributable to MG V (Hollandaire Gold Cap) is also reported in compliance with the JORC Code.

The Mineral Resource has been classified in accordance with guidelines contained in the JORC Code. The classification applied reflects the uncertainty that should be assigned to the Mineral Resources reported in Musgrave's ASX announcement dated 31 May 2022, "Cue Mineral Resource Increases to 927,000 ounces". The reported Indicated Mineral Resources represent areas where there is sufficient geological evidence to assume geological and grade continuity between points of observation where data and samples are gathered. The reported Inferred Mineral Resources represent areas where there is sufficient geological evidence to imply, but not verify, geological and grade continuity between points of observation where data and samples are gathered.

5.5 Musgrave's other activities and exploration assets

Musgrave's strong focus on exploration has led to further gold discoveries including gold mineralisation at the Amarillo prospect and along the Waratah trend east of Break of Day.

Musgrave holds a 25% interest over the Lake Austin area in joint venture (**JV**) with Evolution Mining Limited (**Evolution**). The project is along strike and adjacent to Musgrave's 100% owned Cue Gold Project and is highly prospective for gold. Evolution is the operator of the JV and is managing the ongoing exploration programs.

Musgrave controls a 100% interest in the Mt Magnet South Project which comprises an area of approximately 294km² south of Mt Magnet in the Murchison district of Western Australia.

Musgrave has a JV with Cyprum Australia Pty Ltd (**Cyprum**) (ASX: CYM) for the non-gold rights over the northern Cue tenure, including the Hollandaire copper deposit. Cyprum has earned an 80% interest in the non-gold rights over this area.

Musgrave also holds a large exploration tenement package in the Musgrave Province of South Australia that is primarily prospective for nickel, copper and cobalt. The tenements are still in application and only a minimal amount of exploration has been completed in the area to date.

5.6 Musgrave's Directors

As at the date of this Target's Statement, the Musgrave Directors are:

- Mr Graham Ascough – Non-Executive Chairman;
- Mr Robert Waugh – Managing Director;
- Mrs Kelly Ross – Non-Executive Director;
- Mr John Percival – Non-Executive Director; and
- Mr Brett Lambert – Non-Executive Director.

Profiles of each of the Musgrave Directors are available on Musgrave's website at <https://musgraveminerals.com.au/board-of-directors/>.

5.7 Historical financial information

(a) Basis of preparation

Musgrave released its annual financial report for the financial year ended 30 June 2022 on 7 October 2022, its annual financial report for the financial year ended 30 June 2021 on 15 October 2021 and its half year accounts for the half year ended 31 December 2022 on 10 March 2023. An electronic copy of these reports can be obtained from Musgrave's website (www.musgraveminerals.com.au) or from the ASX website (www.asx.com.au).

The historical financial information below relates to Musgrave on a stand-alone basis and does not reflect any impact of the Ramelius Offer. It is an extract only.

Full consolidated financial accounts, which includes notes to the accounts, can be found in Musgrave's annual financial reports. Copies of those annual financial reports are available on Musgrave's website at www.musgraveminerals.com.au.

(b) Consolidated Statement of Financial Position

The consolidated statements of financial position of Musgrave detailed below have been extracted from the audited financial statements of Musgrave for the years ended 30 June 2022 and 30 June 2021, being the last two audited financial statements and the reviewed financial statement for the half year ended 31 December 2022 prior to the date of this Target's Statement.

	31 Dec 2022 \$	30 Jun 2022 \$	30 Jun 2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	14,608,326	10,636,210	20,910,936
Trade and other receivables	260,591	337,157	322,014
Other current assets	19,865	16,649	12,951
Total Current Assets	14,888,782	10,990,016	21,245,901
Non-Current Assets			
Financial assets	637,419	743,963	1,577,188
Property, plant and equipment	531,581	565,382	373,969
Right of use assets	26,339	69,726	103,393
Exploration and evaluation	41,207,199	36,538,037	26,009,600

Total Non-Current Assets	42,402,538	37,917,108	28,064,150
TOTAL ASSETS	57,291,320	48,907,124	49,310,051
LIABILITIES			
Current Liabilities			
Trade and other payables	1,115,736	1,913,459	971,325
Provisions	259,160	254,204	202,590
Lease liabilities	22,883	62,489	75,124
Total Current Liabilities	1,397,779	2,230,152	1,249,039
Non-Current Liabilities			
Lease liabilities	-	10,750	38,813
Total Non-Current Liabilities	-	10,750	38,813
TOTAL LIABILITIES	1,397,779	2,240,902	1,287,852
NET ASSETS	55,893,541	46,666,222	48,022,199
EQUITY			
Contributed equity	83,369,641	73,438,246	72,739,946
Reserves	2,180,887	1,866,390	2,581,338
Accumulated losses	(29,656,987)	(28,638,414)	(27,299,085)
TOTAL EQUITY	55,893,541	46,666,222	48,022,199

(c) **Consolidated statement of profit or loss and other comprehensive income**

The consolidated statement of profit or loss and other comprehensive income of Musgrave detailed below for the years 30 June 2022 and 30 June 2021, being the last two audited financial statements and the reviewed financial statement for the half year ended 31 December 2022 prior to the date of this Target's Statement.

	31 Dec 2022 \$	30 Jun 2022 \$	30 Jun 2021 \$
Revenue from continuing operations	71,980	57,407	63,010
Other income	-	323,442	274,226
Employee benefits expense	(816,102)	(1,216,465)	(2,594,400)
Depreciation expense	(89,317)	(163,642)	(132,783)
Impairment expense	-	-	-
Finance costs	(2,554)	(10,420)	(22,570)
Other expenses	(184,945)	(573,049)	(468,780)
Profit / (loss) from continuing operations before income tax	(1,020,938)	(1,582,727)	(2,881,297)
Income tax benefit	-	-	-
Profit / (loss) after income tax for the year attributable to the owners of Musgrave Minerals Limited	(1,020,938)	(1,582,727)	(2,881,297)
Other comprehensive income / (loss)			

Items that will not be reclassified to profit or loss

Change in fair value of financial assets at fair value through OCI

(106,544) (833,225) (369,125)

Other comprehensive income / (loss) for the year (net of tax)

(106,544) (833,225) (369,125)

Total comprehensive profit / (loss) for the year attributable to the owners of Musgrave Minerals Limited

(1,127,482) (2,415,952) (3,250,422)

(d) **Consolidated statement of cash flows**

The consolidated statements of cash flows of Musgrave detailed below have been extracted from the audited financial statements of Musgrave for the years ended 30 June 2022 and 30 June 2021, being the last two audited financial statements and the reviewed financial statement for the half year ended 31 December 2022 prior to the date of this Target's Statement.

	31 Dec 2022 \$	30 Jun 2022 \$	30 Jun 2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Joint venture management fees	-	320,442	254,941
Payments to suppliers and employees	(755,718)	(1,557,549)	(1,220,333)
Interest received	68,766	55,709	60,533
Interest paid	(2,554)	(10,420)	(22,570)
Government grants received	-	-	79,500
Net advances from joint venture partner	(14,099)	(29,767)	(57,925)
	(703,605)	(1,221,585)	(905,854)
NET CASH FLOWS USED IN OPERATING ACTIVITIES			
CASH FLOWS USED IN INVESTING ACTIVITIES			
Payments for property, plant and equipment	(12,129)	(274,340)	(357,568)
Payments for tenements	-	(100,000)	(100,000)
Payments for exploration activities	(5,129,697)	(9,096,329)	(6,887,065)
	(5,141,826)	(9,470,669)	(7,344,633)
CASH FLOWS USED IN INVESTING ACTIVITIES			
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	10,117,000	-	19,523,039
Proceeds from exercise of options	360,525	503,625	1,652,383
Share issue costs	(616,407)	(5,136)	(1,046,951)
Lease principal repayments	(43,571)	(80,961)	(89,740)

NET CASH FLOWS FROM FINANCING ACTIVITIES

Net increase/(decrease) in cash and cash equivalents

Cash and cash equivalents at beginning of the year

CASH AND CASH EQUIVALENTS AT END OF THE YEAR

	9,817,547	417,528	20,038,731
	3,972,116	(10,274,726)	11,788,244
	10,636,210	20,910,936	9,122,692
	14,608,326	10,636,210	20,910,936

5.8 Material changes in Musgrave's financial position and financial performance

To the Musgrave Directors' knowledge, and except as disclosed in Musgrave's accounts for the half year ended 31 December 2022 released on 10 March 2023, in Musgrave's other ASX announcements, in the Bidder's Statement or in this Target's Statement, the financial position and financial performance of Musgrave has not materially changed since 31 December 2022.

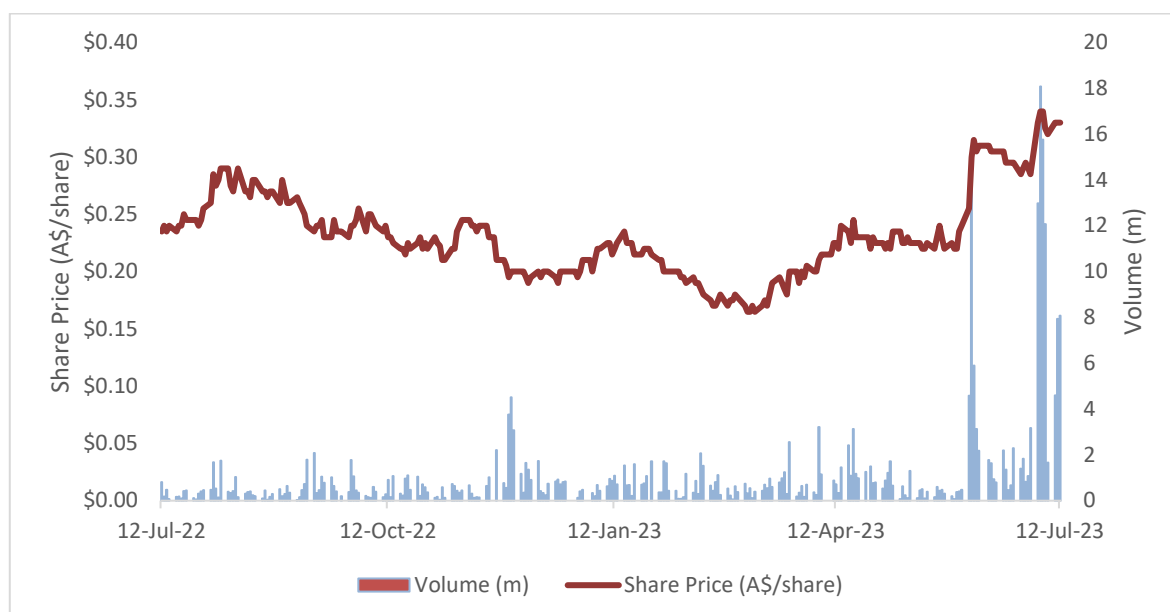
5.9 Recent Musgrave Share price history

As at the Last Practicable Date:

- (a) the last recorded traded price of Musgrave Shares was \$0.33;
- (b) the 30 trading day VWAP of Musgrave Shares was \$0.318;
- (c) the 60 trading day VWAP of Musgrave Shares was \$0.308;
- (d) the 90 trading day VWAP of Musgrave Shares was \$0.293;
- (e) the highest recorded traded price of Musgrave Shares in the previous three (3) months was \$0.350 on 4 July 2023; and
- (f) the lowest recorded traded price of Musgrave Shares in the previous three (3) months was \$0.2125 on 19 May 2023.

The trading price of Musgrave Shares on the ASX for the past 12 months is presented below.

Musgrave Share price – past 12 months



It should be noted that these trading prices are affected by the announcement of the Ramelius Offer. The price of Musgrave Shares on ASX can be obtained from the ASX website (www.asx.com.au).

5.10 Musgrave issued securities

As at the date of this Target's Statement, Musgrave's issued securities consists of:

- (a) 591,207,949 Musgrave Shares; and
- (b) 24,950,000 Musgrave Options, as detailed below.

Number	Exercise Price	Expiry
6,330,000	\$0.932	20 August 2023
1,000,000	\$0.56	24 June 2024
500,000	\$0.47	27 August 2024
1,470,000	\$0.45	23 September 2024
3,750,000	\$0.59	18 November 2024
2,500,000	\$0.45	19 June 2025
9,400,000	\$0.335	5 November 2025

5.11 Musgrave Options

The Ramelius Offer will not extend to the Musgrave Options. However, Musgrave Optionholders whose Musgrave Options are exercised during the Ramelius Offer Period will be able to accept the Ramelius Offer in respect of the Musgrave Shares they are issued.

The Bid Implementation Agreement provides that prior to the Ramelius Offer becoming unconditional and subject to any necessary ASX waivers, Ramelius must make an offer to acquire all of the Musgrave Options (outstanding as at such date) from each Musgrave Optionholder or seek such holder's consent for the cancellation of its Musgrave Options on terms materially consistent (including the Musgrave Options consideration amount) as the Ramelius Offer.

Ramelius has indicated that it proposes to make the following offers in relation to the Musgrave Options:

Number	Exercise Price	Expiry	Proposed consideration per Musgrave Option
6,330,000	\$0.932	20 August 2023	\$0.000
1,000,000	\$0.56	24 June 2024	\$0.031
500,000	\$0.47	27 August 2024	\$0.049
1,470,000	\$0.45	23 September 2024	\$0.040
3,750,000	\$0.59	18 November 2024	\$0.030
2,500,000	\$0.45	19 June 2025	\$0.079
9,400,000	\$0.335	5 November 2025	\$0.107

Musgrave has applied to ASX for a waiver from Listing Rule 6.23.2 to permit the Musgrave Options to be cancelled for the above consideration potentially offered by Ramelius without requiring the approval of Musgrave Shareholders. The waiver application to permit the cancellation of the Musgrave Options has been submitted on the basis that previous waivers

have been granted on the condition that Ramelius as the bidder acquires Voting Power in Musgrave of at least 50.1% and the Ramelius Offer being declared unconditional. The terms of the waiver will be announced if granted by ASX.

5.12 Dividend Policy

Musgrave does not currently pay dividends to Musgrave Shareholders. The Musgrave Board is not able to indicate if and when dividends will be paid in the future if the Ramelius Offer is not implemented, as payment of any dividend will depend on the future profitability, financial position and cash requirements of Musgrave.

5.13 Litigation

Other than as disclosed in this Target's Statement, Musgrave is not aware of any current or proposed litigation or dispute that is material and to which it is or may be a party.

5.14 Publicly available information

As an ASX listed company and a 'disclosing entity' for the purposes of section 111AC(1) of the Corporations Act, Musgrave is subject to regular reporting and disclosure obligations. Broadly, these require it to announce price sensitive information to ASX as soon as it becomes aware of the information, subject to exceptions for certain confidential information.

Musgrave's most recent announcements are available from Musgrave's website at www.musgraveminerals.com.au.

ASX maintains files containing publicly available information about entities listed on their exchange. Musgrave's files are available for inspection at Musgrave's registered office during normal business hours and are available on the ASX website (www.asx.com.au).

Additionally, copies of documents lodged with ASIC in relation to Musgrave may be obtained from or inspected at an ASIC service centre. Please note, ASIC may charge a fee in respect of such services.

The following documents are available for inspection during normal business hours at the registered office of Musgrave:

- (a) Musgrave's constitution;
- (b) Musgrave's annual financial report which includes Musgrave's audited financial statements for the financial year ended 30 June 2022;
- (c) Musgrave's half year accounts for the half year ended 31 December 2022; and
- (d) Musgrave's public announcements.

The annual financial report for the year ended 30 June 2022, half year accounts for the half year ended 31 December 2022 and public announcements are available at Musgrave's website at www.musgraveminerals.com.au, or may be requested to be provided free of charge by contacting Musgrave's Company Secretary.

6 INFORMATION ABOUT RAMELIUS

6.1 Disclaimer

The information on Ramelius in this Target's Statement has been prepared by Musgrave using publicly available information, and has not been independently verified by Musgrave. Accordingly, subject to the Corporations Act, Musgrave does not make any representation (express or implied) as to the accuracy or completeness of such information. The information on Ramelius in this Target's Statement should not be considered comprehensive. Further information about Ramelius is set out in the Bidder's Statement.

6.2 Overview of Ramelius

Ramelius is an established ASX300 gold production and exploration company having produced over one million ounces over the last five financial years. Ramelius' shares listed on the ASX in 2003 under the ASX code "RMS". The Bidder is a wholly owned Subsidiary of Ramelius.

For more information on Ramelius, please refer to section 4 of the Bidder's Statement.

6.3 Overview of Ramelius projects

Ramelius operates two established production centres with four operating mines delivering ore into these centres. The Mt Magnet production centre processes ore from underground and open pit projects at the Mt Magnet Gold Project along with high-grade ore from the Penny Gold Mine, which has recently been developed and is now in its early stages of production.

The Edna May production centre processes ore from the Edna May underground mine, the large Tampia open pit and a series of open pit mines at the Marda Gold Project. The Mt Magnet and Edna May production centres are expected to contribute approximately 55% and 45% respectively of the Ramelius Group's FY23 forecast annual gold production.

Ramelius is a growth orientated company and has a strong history of successfully bringing exploration and development projects into production. The strategy for Ramelius over the last few years has been to invest in exploration programs around the two processing centres and to leverage this established infrastructure by acquiring and developing gold projects within hauling distance of these production centres, thereby adding to gold production without incurring the additional capital costs for standalone on-site processing infrastructure.

(a) Mt Magnet Production Centre

Located in the Murchison region of Western Australia, Mt Magnet is a significant gold operation, comprising multiple deposits mined by underground and open pit methods. The area is a prolific mining district in Australia, having produced over six million ounces of gold over the last century.

In FY22 and FY23, Mt Magnet processed ore mined from the large Eridanus open pit and the smaller oxide pit at Orion. Mining also occurred at underground mines including Hill 60, Shannon, Vivien and more recently the Penny Gold Mine. Development of the Galaxy underground mine will continue into FY24 which will provide an underground ore source for the Mt Magnet processing centre going forward. Mining operations at the Vivien Mine were completed in the March quarter 2023.

The Mt Magnet processing centre is a 1.9 million tonne per annum (Mtpa) conventional semi-autogenous grinding mill. The mill has previously operated at a higher throughput rate and under the right circumstances the mill could return to these higher throughput levels.

(b) Vivien Gold Mine

The high-grade Vivien underground mine is located near the Agnew Gold Mine, 15km west of Leinster in Western Australia. Mining commenced in late 2015 and ceased in the March quarter 2023. The final reconciled gold production from Vivien over the period of Ramelius ownership (2015 – 2023) was 1.5 million tonnes at grade of 5.68g/t for 260,000 recovered ounces.

Vivien was acquired by Ramelius in 2015 at a cost of \$10 million and, over its life, Vivien has generated cash flows of approximately \$130 million.

(c) **Penny Gold Mine**

The high-grade Penny Gold Mine is located approximately 150km south-east of Ramelius' Mt Magnet mining and processing centre. The Penny West deposit was discovered in 1990 and mined as a high-grade open pit in 1990/91 producing approximately 154,000t @ 18.0g/t Au for 89,000oz. Minor exploration was conducted over following years by a number of companies until Spectrum Metals Limited (**Spectrum**) discovered the Penny North zone in March 2019.

Ramelius purchased the Penny Gold Mine in June 2020 via the acquisition of Spectrum.

In November 2020, Ramelius released the results of the Penny Feasibility Study¹¹ and advised of the Ramelius board's approval to commence project development. The Feasibility Study outlined one of Australia's highest grade gold mines with a low AISC of A\$633/oz, illustrating the potential to produce high-margin ounces. As a result of the compelling financial outcomes from the Penny Feasibility Study, the Ramelius board approved a decision to mine.

During 2022 all key approvals were obtained and the cut-back of the old Penny West pit commenced which enabled a suitable portal location to be established. Along with the development of the mine itself, infrastructure was constructed including a camp, power supply, IT & telecommunication, roads, run of mine (**ROM**) pads and an airstrip to service the operation which runs on a fly-in fly-out basis.

Penny ore is now being trucked to the Mt Magnet processing centre. Whilst this commenced late in 2022 it was done using only a small trucking fleet whilst the haul road was upgraded to handle a larger trucking profile. Final ore haulage approvals were received on 11 May 2023 allowing for the transition from double to quad road-trains. This increase in haulage to Mt Magnet ensured the haulage of mined ore plus the clearing of ore stockpiled in FY23.

(d) **Marda Gold Mine**

The Marda Gold Mine is an open pit project, located around 130km north of the town of Southern Cross and 400km north-east of Perth, Western Australia.

Ramelius acquired the project in February 2019 and mining operations commenced in the December 2019 quarter. The Marda Gold Mine consists of a series of small to moderate size, medium to high-grade open pits with the ore mined being hauled to the Edna May production centre for processing.

Up to June 2023, a total of 2.0Mt at 1.93g/t for 124,000 ounces of contained gold had been mined. Up to that same date a total of 96,000 ounces of gold has been produced from ore trucked to the Edna May production centre. The Marda Gold Mine has 1 year of mine life remaining based on the current ore reserve.

¹¹ As reported in Ramelius' ASX announcement "Penny & Edna May Study Updates" on 9 November 2020.

(e) **Tampia Gold Mine**

The Tampia Gold Mine is an open pit project located near Narembeen in Western Australia, 148km (by sealed road) from the Edna May production centre.

Ramelius purchased a 90% interest in the Tampia Gold Mine in April 2019 via the acquisition of Explaurum Limited with the remaining minority interest acquired in January 2021. Mining operations commenced in April 2021. Ore from the Tampia Gold Mine is hauled to the Edna May production centre for processing.

Mining has now completed at Tampia with a total of 3.0Mt at 2.12g/t for 201,000 ounces of contained gold being mined. Up to that same date a total of 127,000 ounces of gold has been produced from ore trucked to the Edna May production centre. Haulage and processing of Tampia ore will continue into early FY25 as the stockpile is depleted.

(f) **Rebecca Gold Project**

Following the completion of the off-market takeover of Apollo Consolidated Limited (ACN 102 084 917) (**Apollo**) in December 2021, Reverse Circulation (**RC**) drilling recommenced with a 75,000m programme of resource infill and extension drilling designed and now in progress. Metallurgical test work has been proceeding to plan with current test work indicating the deposit has good recoveries with a traditional front end gravity circuit and Carbon in Pulp (**CIP**) / Carbon in Leach (**CIL**) processing.

Since the acquisition of Apollo, Ramelius generated a new Mineral Resource which confirmed the previous Apollo resource estimate. Despite the Mineral Resource being generated on only a partially complete drill programme, it increased the proportion of Indicated Mineral Resource category material (+22%) and generated a 9% increase in total ounces. The total Mineral Resource is 31Mt at 1.2g/t for 1.2M ounces.

The Rebecca Gold Project is located in a proven, regional-scale gold belt & Tier 1 location 150km NE from Kalgoorlie, Australia's premier gold province. It sits at the Southern end of the +30Moz Laverton Tectonic Zone.

The acquisition of the Rebecca Gold Project in 2022 was a key reason behind the significant increase in Mineral Resources in 2022, from 5.4Moz to 6.2Moz.¹²

Ramelius had established a detailed project timeline with the goal to produce a PFS in June 2023 before the acquisition of the Lake Roe Gold Project. Key workstreams including geotechnical and metallurgy assessments have begun with variability test work soon to be complete. An updated Mineral Resource estimate is being compiled with the latest drilling along with mining lease and native title requirements under review. With the successful acquisition of the Lake Roe Gold Project, that project will now be incorporated into the PFS for the Rebecca Gold Project, extending the timeline for completion.

(g) **Lake Roe Gold Project**

Ramelius announced the off-market takeover of Breaker Resources on 20 March 2023. On 15 May 2023 Ramelius had a Relevant Interest in 90% of Breaker Resources shares allowing Ramelius to proceed with compulsory acquisition of the remaining shares on issue.

The focus of Breaker Resources was the Lake Roe Gold Project located 100km east of Kalgoorlie in Western Australia. The Lake Roe Gold Project is a relatively new discovery and has progressively grown to now have a Mineral Resource estimate of 1.7 million ounces of gold. At the core of the Lake Roe Gold Project is the Bombora prospect where the majority of mineralisation has been defined. Bombora is

¹² Please refer to Ramelius' ASX Release "Resource and Reserves Statement 2022", 13 September 2022.

approximately 3km in strike and located within an overall 9km trend of gold mineralisation within the Lake Roe Gold Project.

The areas outside of Bombora are sparsely drilled, and excellent potential exists for more discoveries. Two satellite zones have been drilled out and are referred to as the Crescent-Kopai and Claypan prospects. The deposits sit within granted mining leases and have good road and rail access. Breaker Resources controls over 600km² of mining and exploration tenure in the region, over a strike length of approximately 50km.

The majority of the open-pitiable resource is classified in the Indicated Mineral Resource category, whilst the majority of the primary mineralisation (minable from underground) is classified in the Inferred Mineral Resource category due to drill density. Importantly, environmental, geotechnical, hydrological and metallurgical studies undertaken to date do not highlight any impediments to development. The gold resources at the Lake Roe Gold Project are located on a granted mining lease.

Ramelius intended to produce a PFS on the Rebecca Gold Project in June 2023. This has now been pushed out as the Lake Roe Gold Project is proximal to Ramelius' Rebecca Gold Project. The joint development of both projects provides for an expanded and enhanced economic development scenario. A joint Lake Roe and Rebecca development project is underpinned by a complementary and expanded resource base which can leverage a central processing solution.

6.4 Ramelius Directors

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

- Bob Vassie – Independent Non-Executive Chairman;
- Mark William Zeptner – Managing Director;
- David Clifford Southam – Independent Non-Executive Director;
- Natalia Streltsova – Independent Non-Executive Director;
- Fiona Murdoch – Independent Non-Executive Director; and
- Colin Moorhead – Independent Non-Executive Director.

6.5 Historical financial information

The historical financial information for the Ramelius Group from the reviewed financial accounts for the half year ending 31 December 2022 and the 2022 and 2021 annual financial reports is set out in section 4.8 of the Bidder's Statement.

The full financial statements for financial year ended 30 June 2021 and financial year ended 30 June 2022 were audited by Deloitte Touche Tohmatsu who issued an unqualified audit opinion. A copy of Ramelius' consolidated financial statements can be found on its website: www.rameliusresources.com.au.

6.6 Ramelius' interest in Musgrave

As at the Last Practicable Date, Ramelius' Voting Power in Musgrave was 12.13% and Ramelius had a Relevant Interest in 71,710,989 Musgrave Shares.

6.7 Ramelius' intentions in respect of Musgrave

Section 8 of the Bidder's Statement sets out Ramelius' intentions in respect of the future business and operations of Musgrave (assuming that the Ramelius Offer results in Ramelius acquiring Musgrave Shares). Musgrave Shareholders should carefully consider these

intentions when deciding whether to accept the Ramelius Offer (noting that these are statements of current intention only and may change).

6.8 Publicly available information about Ramelius

As an ASX listed company and a 'disclosing entity' for the purposes of section 111AC(1) of the Corporations Act, Ramelius is subject to regular reporting and disclosure obligations. Broadly, these require it to announce price sensitive information to ASX as soon as it becomes aware of the information, subject to exceptions for certain confidential information.

A substantial amount of information about Ramelius is available in electronic form from www.rameliusresources.com.au.

ASX maintains files containing publicly disclosed information about all listed companies. Ramelius' file is available for inspection at ASX during normal business hours.

In addition, Ramelius is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Ramelius may be obtained from, or inspected at, an ASIC office.

Musgrave Shareholders may call the Ramelius Offer Information Line on 1300 034 131 (within Australia) or +61 3 9415 4676 (from outside of Australia), Monday to Friday (excluding public holidays) between 8:30am and 5:00pm (Sydney time) to obtain a copy, free of charge during the Ramelius Offer Period and within two (2) Business Days of the request, of:

- (a) the most recent annual financial report lodged with ASIC by Ramelius before lodgement of the Bidder's Statement with ASIC;
- (b) any half-year financial report lodged with ASIC by Ramelius after the lodgement of that annual financial report for Ramelius referred to above and before lodgement of the Bidder's Statement with ASIC; and
- (c) any continuous disclosure notice given to ASX by Ramelius since the lodgement with ASIC of that annual financial report for Ramelius referred to above and before lodgement of the Bidder's Statement with ASIC.

Ramelius' annual financial report to shareholders for the year ended 30 June 2022 was lodged with ASIC and ASX on 29 August 2022. Ramelius' annual financial report to shareholders includes the directors' report, remuneration report and auditor's independence declaration, statements of comprehensive income, financial position, changes in equity and cash flows, comprehensive notes to the financial statements and an independent auditor's report.

7 RISK FACTORS

7.1 Introduction

Musgrave and Ramelius are subject to a number of investment risk factors which may affect the financial position and financial performance of Musgrave and/or Ramelius and the value of Musgrave Shares and/or Ramelius Shares. Many of the risks are outside the control of Musgrave, Ramelius, the Musgrave Directors and directors of Ramelius, and there can be no certainty that Musgrave's and/or Ramelius' objectives or anticipated outcomes will be achieved.

The risk factors presented in this Section are not an exhaustive list of all risks and risk factors related to Musgrave, Ramelius, the Combined Group and the Ramelius Offer. Additional risks and uncertainties not currently known to Musgrave may also have an adverse impact on Musgrave, Ramelius or the Combined Group.

This Section does not take into account the investment objectives, financial situation, position or particular needs of Musgrave Shareholders. Each Musgrave Shareholder should consult their legal, financial, taxation or other professional adviser if they have any queries.

7.2 Risks associated with rejecting the Ramelius Offer and continuing as a Musgrave Shareholder

In considering whether to accept the Ramelius Offer, Musgrave Shareholders should be aware of the risks relating to Musgrave, its business and assets as well as the general risks associated with an investment in securities markets. These risks include those specific to the industry in which Musgrave operates and general economic conditions which may affect the future operating and financial performance of Musgrave. Set out below in Section 7.6 of this Target's Statement is a summary of some, but not all, of the more material risks Musgrave believes may impact it and its prospects.

Other risks in not accepting the Ramelius Offer are set out below.

(a) No premium

Musgrave Shareholders who do not accept the Ramelius Offer may not receive the premium offered by Ramelius. Further, in the absence of the Ramelius Offer, the price of Musgrave Shares on ASX may potentially reduce to the levels at which it was trading before the date of announcement of the Ramelius Offer.

(b) Minority ownership consequences

See Section 7.4(b).

(c) Musgrave's Share price may fall

If the Ramelius Offer is unsuccessful and no other offers emerge, Musgrave's Share price may fall below the current trading price and Musgrave Shareholders will be exposed to the ongoing risks associated with an investment in Musgrave, as set out in Section 7.6.

7.3 Risks associated with accepting the Ramelius Offer now

(a) You will be unable to accept any other competing offer that emerges

If you accept the Ramelius Offer you will be unable to accept any other competing offer that emerges unless you are able to withdraw your acceptance (refer to Section 8.9 of this Target's Statement for further details about the ability to withdraw an acceptance of the Ramelius Offer).

As at the date of this Target's Statement, the Musgrave Directors are not aware of any Superior Proposal. As at the date of this Target's Statement, the only Competing

Proposal is the Westgold Offer. The Musgrave Directors consider that Ramelius' Offer (being valued at \$0.34) is superior, being 27% higher than the implied Westgold Offer price of \$0.268. On 4 July 2023, Westgold announced that it does not intend to improve the consideration offered under the Westgold Offer, nor to vary the Westgold Offer by extending the period or releasing any of its defeating conditions. Westgold noted that any acceptances of the Westgold Offer will be null and void.

If a competing offer arises (other than the Westgold Offer), the Musgrave Directors will carefully consider the merits of such offer and advise Musgrave Shareholders of whether the competing offer affects their recommendation in this Target's Statement.

(b) **You will no longer have the same level of exposure to Musgrave's assets and operations**

If you accept the Ramelius Offer and the Ramelius Offer is or becomes unconditional, you will no longer be a Musgrave Shareholder.

This will mean that you will not participate in any potential upside associated with Musgrave's Cue Gold Project to the same extent that you would if you remained a Musgrave Shareholder, including any increase in the Musgrave Share price or any benefits that may ultimately be realised by Musgrave. It will also mean that you will become a Ramelius Shareholder such that you will become exposed to the performance of Ramelius' other interests (in addition to its Cue Gold Project). The price of Ramelius Shares issued as Ramelius Offer Consideration may be impacted by the future performance of the other parts of Ramelius' business.

Musgrave Shareholders should refer to section 11 of the Bidder's Statement for information on the specific risks of an investment in Ramelius. You will also cease to have a right to influence the future direction of Musgrave through your voting rights as a Musgrave Shareholder.

(c) **You will not be able to sell your Musgrave Shares on-market**

If you accept the Ramelius Offer, you will no longer be able to trade your Musgrave Shares on market. There is a possibility that the Musgrave Share price may exceed the Ramelius Offer Consideration during part of the Ramelius Offer Period. Refer to Section 8.10 of this Target's Statement in relation to the effect of accepting the Ramelius Offer. Refer to Section 7.5 of this Target's Statement in relation to receiving scrip consideration which is not based on a specified market value for the Ramelius Offer.

(d) **You will give up your right to otherwise deal with your Musgrave Shares**

If you accept the Ramelius Offer, you may be unable to revoke your acceptance, the contract resulting from your acceptance will be binding on you and you may be unable to withdraw your Musgrave Shares from the Ramelius Offer or otherwise deal with your Musgrave Shares. Refer to Section 8.10 of this Target's Statement in relation to the effect of accepting the Ramelius Offer.

(e) **Taxation consequences of accepting the Ramelius Offer**

The taxation consequences of disposing of your Musgrave Shares pursuant to the Ramelius 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 9. You should seek your own specific professional tax advice as to the taxation implications applicable to your circumstances.

7.4 Risks specific to certain Ramelius Offer outcomes

(a) **Ramelius meets 90% compulsory acquisition threshold**

Ramelius has indicated that if, as a result of the takeover bid, it and its associates obtain a Relevant Interest in at least 90% of the Musgrave Shares, Ramelius intends to proceed with a compulsory acquisition of the outstanding Musgrave Shares. If such compulsory acquisition occurs, Musgrave Shareholders who have their Musgrave Shares compulsorily acquired will not receive the Ramelius Offer Consideration until after the compulsory acquisition notices are dispatched to them. The time at which the Ramelius Offer Consideration is issued may also impact upon any entitlement to receive dividends paid to the holders of Ramelius Shares.

Refer to Section 8.13 of this Target's Statement for further information.

(b) Ramelius obtains controlling interest in Musgrave

If Ramelius acquires a Relevant Interest in at least 50.1% but less than 90% of the Musgrave Shares on issue, it will be able to control the outcome of ordinary resolutions of Musgrave Shareholders (including resolutions relating to the composition of Musgrave's Board).

If Control of Musgrave passes to Ramelius, but Ramelius does not meet the conditions to proceed to a compulsory acquisition of the remaining Musgrave Shares, the remaining Musgrave Shareholders (who have not accepted the Ramelius Offer) will become minority shareholders in Musgrave. If this occurs, there may be additional factors that need to be considered, alongside the Musgrave Directors' recommendation. These factors may include:

- (i) Ramelius will be in a position to cast the majority of votes at a general meeting of Musgrave. This will enable it to control the composition of the Musgrave Board and senior management and control the strategic direction of Musgrave's business;
- (ii) the Musgrave Share price may fall immediately following the end of the Ramelius Offer Period, and it is unlikely that Musgrave's Share price will contain any takeover premium;
- (iii) liquidity of Musgrave Shares may be lower than at present;
- (iv) if the number of Musgrave Shares or Musgrave Shareholders is less than that required by the Listing Rules to maintain an ASX listing, then Ramelius may seek to have Musgrave removed from the official list of the ASX. If this occurs, Musgrave Shares will not be able to be bought or sold on the ASX, and will only be able to be bought or sold privately;
- (v) the synergies referred to by Ramelius in the Bidder's Statement may not be achieved and Ramelius may not be able to implement its stated intentions in relation to Musgrave's business; and
- (vi) if Ramelius acquires 75% or more of Musgrave's Shares it will be able to pass a special resolution of Musgrave. This will enable Ramelius, amongst other things, to change Musgrave's constitution and may enable Ramelius to delist Musgrave from ASX.

7.5 Risks specific to the Ramelius Offer

(a) Issue of Ramelius Shares as the Ramelius Offer Consideration

Musgrave Shareholders are being offered a specified number of Ramelius Shares (being one (1) Ramelius Share for every 4.21 Musgrave Shares held, in addition to \$0.04 in cash for every Musgrave Share held), rather than a number of Ramelius Shares with a specified market value.

As a result, the value of the Ramelius Offer will fluctuate depending upon the market value of the Ramelius Shares.

Musgrave Shareholders should be aware that if they accept the Ramelius Offer, then the Ramelius Offer Consideration may only be issued up to the earlier of:

- (i) one month after the Ramelius Offer is accepted, or if the Ramelius Offer is subject to a defeating condition when you accept, within one month after the Ramelius Offer becomes unconditional; and
- (ii) 21 days after the end of the Ramelius Offer Period,

such that there will be a delay in being able to realise a certain cash value should Musgrave Shareholders wish to sell some or all of those Ramelius Shares (and the value of those Ramelius Shares may continue to fluctuate over this period).

(b) **Integration risks**

There are risks that any integration between the businesses of Ramelius and Musgrave may take longer than expected and that anticipated efficiencies and benefits of that integration may be less than envisaged. These risks include possible differences in the management culture, inability to achieve synergy benefits and cost savings, and the potential loss of key personnel.

7.6 Risks specific to an investment in Musgrave

(a) **Economic Factors, Inflation and Supply Chain Risks**

Musgrave's performance and the value of Musgrave Shares may be affected by fluctuations in commodity prices and exchange rates, such as the USD and AUD denominated gold prices and the AUD/USD exchange rates. Financial performance will be highly dependent on the prevailing commodity prices, capital costs, operating costs and exchange rates. These prices along with other inputs to capital and operating costs can fluctuate rapidly and widely and are affected by numerous factors beyond the control of Musgrave including, among others, expectations regarding inflation, the financial impact of movements in interest rates, global economic trends and confidence and conditions, each of which are currently experiencing material changes.

The above factors may have an adverse effect on Musgrave's exploration activities and the potential for future development and production activities, as well as the ability to source adequate staff and fund those activities. In particular, if activities cannot be funded, there is a risk that tenements may have to be surrendered or not renewed.

Musgrave's ability to progress its business depends upon robust global supply chains and the ability to source adequate staff. The tightening market and growing inflation may affect the general economic conditions, both domestic and global, and may affect the performance of Musgrave and its shares.

While Musgrave's Directors and management are closely monitoring domestic and global events, it is difficult to state with certainty what the impacts will be on the demand for gold, and Musgrave's ability to develop its projects and generate revenue from them in the short to medium term.

Musgrave's future revenues (if any), the economic viability of its projects, the market price for its listed securities, and its ability to raise future capital and source adequate staff may be affected by these factors, which are beyond Musgrave's control.

(b) **Funding Risks**

In the future, Musgrave will be required to raise additional funds (whether by way of debt and/or equity), so as to, without limitation:

- (i) carry out additional exploration activities at its projects;

- (ii) complete future feasibility studies on its projects;
- (iii) undertake the future development of a mining operation subject to the results of the feasibility studies; and
- (iv) fund corporate, administrative and working capital needs.

The ability of Musgrave to meet these future funding requirements, when they arise, will be dependent upon its continued capacity to access capital market funding sources and/or financing facilities via credit markets, including any environmental, social and government requirements. Funding via additional equity issues may be dilutive to existing Musgrave Shareholders and, if available, debt financing may be subject to Musgrave agreeing to certain debt covenants and encumbering Musgrave's assets.

If Musgrave is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, delay, suspend and/or scale back its exploration programs and business strategies, as the case may be. There is however no guarantee that Musgrave will be able to secure any additional funding as and when required on terms favourable to Musgrave or at all. The failure of which would thus have a material adverse effect on Musgrave's activities, its solvency and its reputation.

(c) **Dilution**

In certain circumstances, the Musgrave Directors may issue equity securities without any vote or action by Musgrave Shareholders. When Musgrave issues equity securities, the percentage ownership of Musgrave Shareholders may be reduced and diluted.

(d) **Infectious Disease and COVID-19 Risks**

The global economic outlook is uncertain and could be influenced by the lingering COVID-19 pandemic. This could continue to have an impact on global capital markets, commodity prices and foreign exchange. Uncertainty may re-emerge as to the ongoing and future response of government authorities and regulators as well as a likelihood of a global or more localised economic recession of unknown duration or severity. Therefore, the ongoing impact of COVID-19 or other future potential infectious diseases to Musgrave, is not fully known.

Any further governmental or industry measures taken in response to COVID-19 or other potential new infectious diseases may adversely impact Musgrave's operations and are likely to be beyond the control of Musgrave and could have consequential disruption and cost implications on the ongoing activities at the Cue Gold Project as it works towards the objective of a gold operation at Cue. In particular, a sustained lockdown or sustained community transmission of an infectious disease in Western Australia may have a materially adverse impact on Musgrave's operations.

Musgrave has a policy in place to address the risks presented by COVID-19 and outlines risk mitigation strategies to address a range of scenarios.

Further supply chain disruptions resulting from the transmission of COVID-19 or other potential new infectious disease in the community and measures implemented by governments around the world to limit the transmission of the virus may further adversely impact Musgrave's Share price, operations, financial position, prospects and ability to raise capital.

(e) **Access Risks**

It is also possible that, in relation to tenements which Musgrave has an interest in or will in the future acquire such an interest, there may be areas over which legitimate rights of Traditional owners or surface rights holders exist. In this case, the ability of

Musgrave to gain access to tenements (through obtaining consent of any relevant traditional owner, body, group or landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. Musgrave's mineral titles may also be subject to access by third parties including, but not limited to Traditional owners. This access could potentially impact Musgrave's activities and/or may involve payment of compensation to parties whose existing access to the land may be affected by Musgrave's activities.

Musgrave is respectful of Aboriginal culture and preservation of significant Aboriginal sites.

In relation to tenements which Musgrave has an interest in or will in the future acquire such an interest, there may be areas or objects of Aboriginal heritage. If Aboriginal heritage sites or objects exist, these areas may need to be avoided or Musgrave may need to enter into agreements with the Traditional owners of the sites. The ability of Musgrave to implement its work program may be adversely affected in access, time and cost.

(f) **Personnel and Labour Risks**

The responsibility of overseeing the day-to-day operations and the strategic management of Musgrave depends substantially on its senior management and its key personnel. Key personnel are important to attaining the business goals of Musgrave. Musgrave believes that it has, in general, good relations with its employees and contractors. There can be no assurance given that there will be no short-term detrimental impact on Musgrave if one or more of these key employees cease their employment or if one or more Musgrave Directors leave the Musgrave Board.

Critical functions of Musgrave's operations may be affected in the short to medium term as replacement key personnel are sought, which can incur additional costs or cause loss of productivity during the recruitment and onboarding phases. Musgrave is also exposed to a general resources industry risk of not being able to appoint operational personnel on reasonable terms if labour costs in the resources industry increase. In these circumstances Musgrave's operating and financial performance may be adversely affected.

There can also be no assurance that Musgrave's operations or those of its contractors will not be affected by labour related problems in the future, such as disputes relating to wages or requests for increased benefits. There are risks associated with staff including attracting and retaining key personnel and, no matter where located, staff acting out of their permitted authority and with contractors not acting in accordance with Musgrave's policies.

(g) **Tax Law and Application**

The application of and changes in relevant tax laws (such as income tax, goods and services tax (or equivalent) and stamp duty), rules relating to deductible liabilities, or changes in the way those tax laws are interpreted, will or may impact the tax liabilities of Musgrave or the tax treatment of a Musgrave Shareholder's investment. An interpretation or application of tax laws or regulations by a relevant tax authority that is contrary to Musgrave's view of those laws may increase the amount of tax paid or payable by Musgrave.

Both the level and basis of tax may change. Any changes to the current rates of taxes and/or any changes in tax rules and tax arrangements may increase the amount of tax paid or payable by Musgrave and may also impact Musgrave Shareholders.

(h) **Accounting Standards**

Australian Accounting Standards (**AAS**) are adopted by the Australian Accounting Standards Board (**AASB**) and are not within the control of Musgrave and Musgrave's

Directors. The AASB may, from time to time, introduce new or refined AAS, which may affect the future measurement and recognition of key statement of profit or loss and statement of financial position items. There is also a risk that interpretation of existing AAS, including those relating to the measurement and recognition of key statement of profit or loss or statement of financial position items may differ. Any changes to the AAS or to the interpretation of those standards may have an adverse effect on the reported financial performance and position of Musgrave.

(i) **Trading in Securities of Musgrave May Not Be Liquid**

There is no guarantee that there will be an ongoing liquid market for securities of Musgrave. Accordingly, there is a risk that, should the market for Musgrave's securities become illiquid, Musgrave's Shareholders will be unable to realise their investment in Musgrave.

(j) **Metallurgical Recovery**

The economic viability of mineralisation depends on a number of factors such as metal distribution, mineralogical association and an economic process route for metal recovery, which may or may not ultimately be successful. The recovery of gold ores in Western Australia utilises a commonly used process although changes in mineralogy that are currently not known, may result in inconsistent metal recovery.

(k) **Environmental and Climate Regulation Risks**

The operations and proposed activities of Musgrave are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, Musgrave's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceed. It is Musgrave's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. For example, the flora and fauna surrounding the Cue Gold Project may require certain adjustments to the project planning.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on Musgrave's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on Musgrave for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or noncompliance with environmental laws or regulations. The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation.

There is a risk that environmental laws and regulations become more onerous, making Musgrave's operations more expensive. Approvals are required for mining, land clearing and for all ground disturbing activities. Delays in obtaining such approvals can result in the delay of anticipated exploration programs or development or mining activities.

Climate change is a risk that Musgrave has considered. The climate change risks particularly attributable to Musgrave include the emergence of new or expanded regulations associated with the transitioning to a lower carbon economy and market changes related to climate change mitigation. Musgrave may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. Climate change may cause certain physical and environmental risks that cannot be predicted by Musgrave, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical

risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which Musgrave operates.

(l) **Return Risks**

Musgrave's ability to benefit from any future mining operations (if any eventuate, which may never occur) will depend on market factors, some of which may be beyond its control. The world market for minerals is subject to many variables and may fluctuate markedly. General economic conditions, movements in interest and inflation rates and currency exchange rates may also have an adverse effect on Musgrave's exploration, development and (if any) production activities, as well as on its ability to fund those activities.

(m) **Expected Future Events May Not Occur**

Certain statements in this Target's Statement constitute forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements of Musgrave to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Given these uncertainties, Musgrave Shareholders should not place undue reliance on such forward-looking statements. In addition, under no circumstances should forward looking statements be regarded as a representation or warranty by Musgrave, or any other person referred to in this Target's Statement, that a particular outcome or future event is guaranteed.

(n) **Third Party Risks**

Musgrave, although it has no material litigation on foot, is exposed to the risks of litigation and disputes.

Musgrave is and may in the future become a party to further joint venture agreements governing the exploration and development of its projects. There is a risk that one of Musgrave's joint venture partners or other contractors may default in their joint venture obligations (or that Musgrave may default in its obligations and become liable) or not act in the best interests of the joint venture. There is a risk of insolvency or managerial failure by any of the contractors or other suppliers used by Musgrave in any of its activities, or that any of those agreements are terminated in accordance with their terms. There is also a risk of legal or other disputes between Musgrave and co-venturers or contractors or other suppliers. This may have an adverse effect on the interests and prospects of Musgrave.

The operations of Musgrave will require the involvement of a range of third parties, including suppliers, contractors and consultants. With respect to these third parties, and despite applying pre-contracting due diligence, Musgrave is unable to avoid the risk of financial failure, performance failure or default by a contractor or customer or a delay in services, equipment or supplies.

(o) **Nature of Mineral Exploration and Mining Risks**

The business of mineral exploration, development and production is subject to risk by its nature. Musgrave Shareholders should understand that mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards (with no guarantee of ever becoming producing assets).

The success of Musgrave depends, among other things, on successful exploration, feasibility of projects, securing and maintaining title to tenements and consents, successful design, construction, commissioning and operating of mining and processing facilities, successful development and production in accordance with forecasts and successful management of the operations. Exploration and mining activities may also be hampered by force majeure circumstances, land claims and unforeseen mining problems.

There is no assurance that exploration and development of the mineral tenement interests currently owned by Musgrave, or any other projects that may be acquired in the future, will result in the discovery of mineral deposits which are capable of being exploited economically. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited. If such commercial viability is never attained, Musgrave may seek to transfer its property interests or otherwise realise value, or Musgrave may even be required to abandon its business and fail as a “going concern”.

Whether a mineral deposit will be commercially viable depends on a number of factors, which include, without limitation, the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices, which fluctuate widely, and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, exporting of minerals and environmental protection. The combination of these factors may result in Musgrave expending significant resources (financial and otherwise) on tenements without receiving a return. There is no certainty that expenditures made by Musgrave towards the search and evaluation of mineral deposits will result in discoveries of an economically viable mineral deposit.

Musgrave has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Musgrave believes that those consultants and others are competent and that they have carried out their work in accordance with internationally recognised industry standards. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, Musgrave may experience delays or increased costs in exploring or developing its tenements.

(p) **Mineral Resource Estimation Risks**

Mineral Resources estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, Mineral Resource estimates are inherently imprecise and rely to some extent on interpretations made. Additionally, Mineral Resource estimates may change overtime as new information becomes available. Should Musgrave encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect Musgrave's operations or result in the inability to satisfy objectives of the Cue Gold Project. There is no guarantee Mineral Resources can be converted to ore reserves or economically mined.

Subject to the results of exploration and testing programs to be undertaken, Musgrave is completing an updated stage 2 preliminary feasibility study for the Cue Gold Project and may (subject to (among other things) the Musgrave Board's discretion and the availability of funding) conduct further feasibility studies. These studies are proposed to be completed within parameters designed to determine the economic feasibility of the Cue Gold Project within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Cue Gold Project, or the results of other studies undertaken by Musgrave (e.g. the results of a definitive feasibility study may materially differ to the results of a preliminary feasibility study). Even if a study confirms the economic viability of the Cue Gold Project (which may not occur), there can be no guarantee that the Cue Gold Project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study (e.g. operational costs and commodity prices) once production commences. There is no guarantee production will reflect the resource model. Further, the ability of Musgrave to complete future studies may be dependent on Musgrave's ability to raise further funds.

(q) **Future Development Risks**

Possible future development of a mining operation at any of Musgrave's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, and contracting risk from third parties providing essential services and commodity prices.

There can be no guarantee the development studies will be completed on time, on budget, or support an economic development of the Cue Gold Project.

Musgrave's operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents or force majeure, hostilities (such as the war in Ukraine) or terrorism, pandemics, climate change, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations. No assurance can be given that Musgrave will achieve commercial viability through the development or mining of its projects.

Development of a commercial mining operation is also dependent on Musgrave's ability to obtain and retain necessary titles and governmental and other regulatory and third-party approvals. Even if Musgrave successfully develops its projects, there is a risk Musgrave will not achieve a commercial return.

The risks associated with the development of a mine will be considered in full should the projects reach that stage and will be managed with ongoing consideration of stakeholder interests. The risk also includes that Musgrave may not be able to obtain adequate insurance at an appropriate price, or at all.

(r) **New Projects and Acquisition Risks**

Musgrave may make acquisitions in the future as part of future growth plans. In this regard, the Musgrave Directors will use their expertise and experience in the resources sector to assess the value of potential projects that have characteristics that the Musgrave Directors consider are likely to provide returns to Musgrave Shareholders.

There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that acquisitions will result in a return for Musgrave Shareholders. Such acquisitions may result in the use of Musgrave's cash resources and/or the issuance of equity securities, which will dilute shareholdings.

Furthermore, any new project or business acquisition may change the risk profile of Musgrave, particularly if the new project is located in another jurisdiction, involves a new commodity and/or changes Musgrave's capital/funding.

(s) **Health, Safety and Security risk**

Mining activities have inherent hazards and risks. Musgrave is committed to providing a safe and healthy workplace and environment for its personnel, contractors and visitors including inductions on commencement. Musgrave provides appropriate instructions, equipment, preventative measures, first aid information, and training to all employees through its health and safety management system.

A serious site health and safety incident may result in significant interruptions and delays in Musgrave's projects and may also expose Musgrave to significant penalties and/or compensation liability. These liabilities may not be covered by Musgrave's insurance policies or, if they are covered, may exceed Musgrave's policy limits or be subject to significant deductibles. Also, any claim under Musgrave's insurance policies could increase Musgrave's future costs of insurance. Accordingly, any liabilities for

workplace accidents could have a material adverse impact on Musgrave's liquidity and financial results and reputation. In addition, it is not possible to anticipate the effect on Musgrave's business of any changes to workplace health and safety legislation or directions necessitated by concern for the health of the workforce. Musgrave has also taken out and maintains what it considers to be an adequate level of workers compensation insurance. Musgrave has in place a group health and safety management system to ensure significant risks have robust sustainable safety controls. If the health and safety management system is not implemented or complied with adequately, there is a risk that a serious health and safety incident may occur.

(t) **Regulatory Risks**

Musgrave's interests in tenements (including tenement applications) situated in Western Australia as well as its interests in tenement applications in South Australia are governed by legislation as evidenced by the granting of leases and licences by the relevant States. Musgrave's granted tenements and tenement applications in Western Australia are subject to, without limitation, the *Mining Act 1978 (WA)* and *Mining Regulations 1981 (WA)*, while Musgrave's applications for exploration licences in South Australia are subject to, without limitation, the *Mining Act 1971 (SA)* and *Mining Regulations 2020 (SA)*. Musgrave has an obligation to meet the conditions that apply to the tenements under the above-mentioned legislation (in addition to other regulatory requirements).

Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, Musgrave could lose title to or its interest in the tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. There are no guarantees that the tenements that are subject to renewal will be renewed or that any applications for exemption from minimum expenditure conditions will be granted, each of which could adversely affect the standing of a tenement. A number of the tenements may be subject to additional conditions, penalties, objections or forfeiture applications in the future. Further, Musgrave is subject to other laws and regulations, including relating to exploration, mining, processing, development, tax, labour, subsidies, royalties, environmental impact and land access. Any materially adverse changes to government application, policy or legislation in relevant areas, or community or government attitudes could impact the assets, profitability or viability of Musgrave's projects.

Musgrave is not aware of any reviews or changes that would affect its current or proposed interests in tenements. However, changes in political and community attitudes on matters such as taxation, competition or foreign investment policy and environmental, social and governance (**ESG**) issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect Musgrave's exploration and/or development plans or its rights and obligations in respect of the tenements in which it holds interests. Any such government action may also require increased capital or operating expenditures and could prevent or delay development of the Cue Gold Project.

7.7 Risks specific to an investment in Ramelius

By accepting the Ramelius Offer, Musgrave Shareholders (other than Foreign Shareholders and Unmarketable Parcel Shareholders) will receive Ramelius Shares as consideration. For information in respect to the risks associated with holding Ramelius Shares, please refer to section 11 of the Bidder's Statement.

7.8 General investment risks relevant to holding Musgrave Shares and/or Ramelius Shares

(a) **Global economic conditions**

Musgrave's and Ramelius' funding position, financial performance and ability to execute its strategy is impacted by a variety of general global economic, political,

social and business conditions. In addition to commodity prices and currency fluctuations, factors that have the potential to impact Musgrave's and Ramelius' business include inflation, interest rates and other general economic factors. Deterioration in any of these conditions could have an adverse impact on Musgrave and Ramelius.

Domestic and global conditions may affect the value of Musgrave Shares and Ramelius Shares. General worldwide economic conditions, changes in government policies, investor perceptions, movements in interest rates and stock markets, prices of gold, variations in the operating costs and development and sustaining capital expenditure which Musgrave and Ramelius will require in the future will all impact the value of the Musgrave Shares and Ramelius Shares, some outside of the control of Musgrave and Ramelius.

(b) **Force Majeure Risks**

Events may occur within or outside Musgrave's and Ramelius' key markets that could impact upon relevant economies and the operations of Musgrave and Ramelius. The events include, but are not limited to, acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that could have an adverse effect on the demand for Musgrave's and Ramelius' services and the ability to conduct business.

(c) **Share market risks**

There can be no guarantee that there will continue to be an active market for Musgrave Shares or Ramelius Shares or that the price of Musgrave Shares or Ramelius Shares will increase. There may be relatively few buyers or sellers of Musgrave Shares or Ramelius Shares on ASX at any given time. This may affect the volatility of the trading price of Musgrave Shares and Ramelius Shares on ASX. It may also affect the prevailing trading price at which Musgrave Shareholders are able to sell their Musgrave Shares or Ramelius Shares on ASX.

(d) **Tax risks**

Future changes in tax laws and investment interests, including changes in interpretation or application of existing laws by the courts or taxation authorities, may affect taxation treatment of Musgrave securities or the holding or disposal of those securities. The tax consequences for individual investors in Musgrave or Ramelius will depend on the individual tax profile and circumstances of the investor and all investors should obtain independent taxation advice with respect to their personal position.

(e) **Liquidity of Shares**

There may be relatively few potential buyers or sellers of Musgrave Shares or Ramelius Shares on the ASX at any time. This may increase the volatility of the price of Musgrave Shares or Ramelius Shares. It may also affect the prevailing market price at which Musgrave Shareholders are able to sell their Musgrave Shares and/or Ramelius Shares. This may result in a market price being received which is less than the price that Musgrave Shareholders paid to acquire their Musgrave Shares and/or Ramelius Shares.

(f) **Adverse changes to government policy and laws**

Changes in relevant laws, interest rates, other legal, legislative and administrative regimes, and government policies, may have an adverse effect on the financial position and operations of Musgrave and Ramelius and ultimately Musgrave's and Ramelius' financial performance. These factors may ultimately affect the market price of Musgrave Shares and Ramelius Shares.

8 KEY FEATURES OF THE RAMELIUS OFFER

8.1 Ramelius Offer Consideration

The Ramelius Offer Consideration being offered by Ramelius is one (1) Ramelius Share for every 4.21 Musgrave Shares held and \$0.04 in cash for every Musgrave Share held.

8.2 Ramelius Offer Period

The Ramelius Offer is currently open for acceptance and will close at 7:00pm (Sydney time) on 18 August 2023, unless extended or withdrawn in accordance with the Corporations Act.

The circumstances in which Ramelius may extend or withdraw the Ramelius Offer are detailed in Sections 8.8 and 8.9.

8.3 Ramelius Offer Conditions

The completion of the Ramelius Offer, and any contract that results from an acceptance of the Ramelius Offer, is subject to the fulfilment of the conditions outlined below in this Section 8.3 (together, the **Ramelius Offer Conditions**).

If any of the Ramelius Offer Conditions are not satisfied or have not been waived by Ramelius by the end of the Ramelius Offer Period, Ramelius will have an option as to whether to proceed with the Ramelius Offer or allow the Ramelius Offer to lapse. If the Ramelius Offer lapses, all acceptances of the Ramelius Offer will be void and of no effect.

(a) Minimum Acceptance

During, or at the end of, the Ramelius Offer Period, the number of Musgrave Shares in which Ramelius has a Relevant Interest is at least 50.1% of all the Musgrave Shares on a fully diluted basis.

(b) No Musgrave Prescribed Occurrence

- (i) No Musgrave Prescribed Occurrence occurs between the Announcement Date and the commencement of the Ramelius Offer Period (inclusive).
- (ii) No Musgrave Prescribed Occurrence occurs during the Ramelius Offer Period.

(c) No Musgrave Regulated Event

No Musgrave Regulated Event occurs between (and including) the Announcement Date and the end of the Ramelius Offer Period (inclusive).

(d) No Musgrave Material Adverse Change

No Musgrave Material Adverse Change occurs between the Announcement Date and the end of the Ramelius Offer Period (inclusive).

8.4 Nature and benefit of Ramelius Offer Conditions

- (a) The Ramelius Offer Conditions are conditions subsequent. The non-fulfilment of any Ramelius Offer Condition does not, until the end of the Ramelius Offer Period, prevent a contract to sell Musgrave Shares (which have been accepted into the Ramelius Offer) from arising, but entitles Ramelius by written notice, to rescind the contract resulting from acceptance of the Ramelius Offer.
- (b) Subject to the Corporations Act, Ramelius alone is entitled to the benefit of the Ramelius Offer Conditions, or to rely on any non-fulfilment of any of them.

- (c) Each Ramelius Offer Condition is a separate, several and distinct condition. No Ramelius Offer Condition will be taken to limit the meaning or effect of any other Ramelius Offer Condition.

8.5 Status of Ramelius Offer Conditions

Section 13.12 of the Bidder's Statement states that Ramelius will give the notice on the status of the Ramelius Offer Conditions on 11 August 2023 (subject to extension in accordance with the Corporations Act if the Ramelius Offer Period is extended). Ramelius is required to detail in the notice:

- (a) whether the Ramelius Offer is free of the Ramelius Offer Conditions; and
- (b) Ramelius' Voting Power in Musgrave at that time.

8.6 Lapse of Ramelius Offer

The Ramelius Offer will lapse if the Ramelius Offer Conditions are not waived or satisfied by the end of the Ramelius Offer Period. If the Ramelius Offer lapses, all contracts resulting from acceptance of the Ramelius Offer and all acceptances that have not yet resolved in binding contracts are void and you will retain ownership of your Musgrave Shares.

8.7 Variation of the Ramelius Offer

Ramelius may vary the Ramelius Offer in any of the ways permitted by the Corporations Act, including by extending the Ramelius Offer Period or by increasing the Ramelius Offer Consideration, provided the varied terms and conditions are not less favourable to Musgrave Shareholders than the Ramelius Offer. If Ramelius varies the Ramelius Offer in any of those ways, it must give written notice to ASIC and Musgrave and send you a copy of that notice (provided, however, that Ramelius will not be required to send you a copy of the notice if, at the time of the variation, you have already accepted the Ramelius Offer, the Ramelius Offer is unconditional and the variation merely extends the Ramelius Offer Period).

8.8 Extension of Ramelius Offer Period

Ramelius may extend the Ramelius Offer Period at any time before giving the notice on the status of the Ramelius Offer Conditions (refer to Section 8.5 above) while the Ramelius Offer is subject to the Ramelius Offer Conditions (and can also extend the Ramelius Offer Period after giving that notice in certain narrow circumstances involving a competing bid). However, if the Ramelius Offer is unconditional, Ramelius may extend the Ramelius Offer Period at any time before the end of the Ramelius Offer Period.

In addition, there will be an automatic extension of the Ramelius Offer Period if, within the last seven days of the Ramelius Offer Period, Ramelius' Voting Power in Musgrave increases to more than 50% or the Ramelius Offer is varied to improve the Ramelius Offer Consideration. In this case the Ramelius Offer Period will be automatically extended so that it ends 14 days after Ramelius' Voting Power in Musgrave increases to more than 50% or the improvement in the Ramelius Offer Consideration (as applicable).

8.9 Withdrawal of Ramelius Offer

Ramelius may not withdraw the Ramelius Offer if you have already accepted it. However, if the Ramelius Offer Conditions have not been satisfied or waived at the end of the Ramelius Offer Period, then all acceptances will be void. Before you accept the Ramelius Offer, Ramelius may withdraw the Ramelius Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

8.10 Effect of acceptance

Once you have accepted the Ramelius Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you.

In addition, you will be unable to withdraw your acceptance of the Ramelius Offer or otherwise dispose of your Musgrave Shares, except as follows:

- (a) if, at the end of the Ramelius Offer Period, a Ramelius Offer Condition has not been satisfied or waived, the Ramelius Offer will automatically terminate, and you will then be free to deal with your Musgrave Shares; or
- (b) if the Ramelius Offer is varied in accordance with the Corporations Act in a way that postpones for more than one month the time when Ramelius has to meet its obligations under the Ramelius Offer, and, at the time, the Ramelius Offer is subject to one or more Ramelius Offer Conditions, you may be able to withdraw your acceptance in accordance with section 650E of the Corporations Act.

If Ramelius improves the Ramelius Offer Consideration, all Musgrave Shareholders who accept the Ramelius Offer (whether or not they have accepted prior to that improvement) will be entitled to the benefit of that improved price.

The effect of acceptance of the Ramelius Offer is further detailed in section 13.5 of the Bidder's Statement. You should read those provisions in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your Musgrave Shares and the representations and warranties that you are deemed to give to Ramelius by accepting the Ramelius Offer.

8.11 When you will receive the Ramelius Offer Consideration

In summary, subject to section 13.6 of the Bidder's Statement and the Corporations Act, Ramelius will provide the Ramelius Offer Consideration due to you for your Musgrave Shares on or before the earlier of:

- (a) one month after the date on which you validly accept the Ramelius Offer in respect of your Musgrave Shares or, within one month after the Ramelius Offer is declared or becomes unconditional; and
- (b) 21 days after the end of the Ramelius Offer Period.

Refer to section 13.6 of the Bidder's Statement for further details on when you will be provided the Ramelius Offer Consideration by Ramelius.

8.12 Foreign Shareholders and Unmarketable Parcel Shareholders

For the purposes of the Ramelius Offer, a Musgrave Shareholder is considered to be a Foreign Shareholder if their address in the register of members is a place outside of Australia or its external territories, New Zealand or Thailand, unless Ramelius is satisfied that it is not legally or practically constrained from making the Ramelius Offer to a Musgrave Shareholder in the relevant jurisdiction and to issue Ramelius Shares to the Musgrave Shareholder on acceptance of the Ramelius Offer, and that it is lawful for the Musgrave Shareholder to accept the Ramelius Offer in such circumstances in the relevant jurisdiction (**Foreign Shareholder**).

A Musgrave Shareholder will also be taken to be a Foreign Shareholder for the purposes of the Ramelius Offer if the Bidder determines, acting reasonably and in good faith, that it must pay an amount to the Commissioner of Taxation (**Commissioner**) pursuant to Subdivision 14-D of Schedule 1 of the *Taxation Administration Act 1953* (Cth) (**TAA**) with respect to the acquisition of the Musgrave Shares from the Musgrave Shareholder.

If you have accepted the Ramelius Offer and you are a Foreign Shareholder or Unmarketable Parcel Shareholder, you will not be entitled to receive Ramelius Shares as consideration for your Musgrave Shares. Instead Ramelius will:

- (a) arrange for the issue to the Nominee of the number of Ramelius Shares to which you and all other Foreign Shareholders and Unmarketable Parcel Shareholders would have been entitled. Ramelius may issue the Ramelius Shares to the Nominee in tranches;

- (b) cause the Ramelius Shares to be issued for sale by the Nominee (in one or more tranches) on the ASX as soon as practicable and otherwise in the manner, at the price and on such other terms and conditions as are determined by the Nominee; and
- (c) cause the Nominee to pay to you the amount ascertained in accordance with the formula detailed in section 13.7(a)(iii) of the Bidder's Statement.

You will receive your share of the proceeds of the sale of the Ramelius Shares by the Nominee in Australian currency.

Payment will be made by cheque posted to you at your risk by ordinary mail (or in the case of overseas shareholders, by airmail) at the address provided on your acceptance form within the period required by the Corporations Act.

Under no circumstances will interest be paid on your share of the proceeds of the sale of Ramelius Shares by the Nominee, regardless of any delay in remitting these proceeds to you.

Refer to sections 12.15 and 13.7 of the Bidder's Statement for further details.

8.13 Compulsory acquisition

Ramelius has indicated in the Bidder's Statement that if it satisfies the required thresholds it intends to compulsorily acquire any outstanding Musgrave Shares. Ramelius will be entitled to compulsorily acquire any outstanding Musgrave Shares for which it has not received acceptances on the same terms as the Ramelius Offer if, during, or at the end of the Ramelius Offer Period, Ramelius (and its Associates) together have a Relevant Interest in at least 90% (by number) of Musgrave Shares and Ramelius (and its Associates) have acquired at least 75% (by number) of the Musgrave Shares for which the offers are made under the Ramelius Offer.

If the compulsory acquisition thresholds are met, Ramelius will have one month from the end of the Ramelius Offer Period within which to give compulsory acquisition notices to Musgrave Shareholders who have not accepted the Ramelius Offer, but it may choose to commence compulsory acquisition as soon as the relevant thresholds are satisfied. A Musgrave Shareholder has statutory rights to challenge compulsory acquisition, however this will require the relevant Musgrave Shareholder to establish that the terms of the Ramelius Offer do not represent fair value for the Musgrave Shares. Musgrave Shareholders should be aware that, if their Musgrave Shares are acquired compulsorily, they are not likely to receive any payment until at least one month after the compulsory acquisition notices are sent.

It is also possible that Ramelius will, at some time after the end of the Ramelius Offer Period, become the beneficial holder of 90% of the Musgrave Shares. Ramelius would then have rights to compulsorily acquire Musgrave Shares not owned by it within six months of becoming the holder of 90%. Ramelius' price for compulsory acquisition under this procedure would have to be considered in a report of an independent expert.

9 TAXATION CONSEQUENCES

9.1 Introduction

This section provides an overview of the potential Australian Income Tax, Capital Gains Tax (CGT), Goods and Services Tax (GST) and Stamp Duty consequences that Musgrave Shareholders need to consider when disposing of their Musgrave Shares in return for cash consideration and scrip consideration (**Ramelius Offer**).

This summary does not apply to Musgrave Shareholders:

- (a) who hold their Musgrave Shares as revenue assets, as trading stock or are subject to the Taxation of Financial Arrangements provisions in Division 230 of the Income Tax Assessment Act 1997;
- (b) who acquired their Musgrave Shares as part of employee share scheme arrangements;
- (c) who are Australian tax residents but who hold their Musgrave Shares as part of an enterprise carried on, at or through a permanent establishment in a foreign country;
- (d) that may be subject to special tax rules, such as financial institutions, insurance companies, partnerships (except where expressly stated), tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated) or temporary residents; or
- (e) are taken to have acquired their Musgrave Shares before 20 September 1985; or
- (f) have their Musgrave Shares compulsorily acquired under Part 6A.2 of the Corporations Act.

The information in this Section is based on current Australian taxation law and practice in effect as of the date of this Target's Statement. It is not intended to be an authoritative or complete statement or analysis of the taxation laws applicable to the particular circumstances of every Musgrave Shareholder.

Musgrave Shareholders should seek independent professional advice regarding the taxation consequences of accepting the Ramelius Offer and disposing of their Musgrave Shares relevant to their own particular circumstances.

9.2 Taxation Consequences of Disposal of Musgrave Shares by Australian Residents

The tax implications for Australian resident Musgrave Shareholders who hold their Musgrave Shares on revenue account may differ. This Section specifically applies to Musgrave Shareholders who hold their Musgrave Shares on capital account. Under the Ramelius Offer, Musgrave Shareholders will dispose of their Musgrave Shares to Ramelius in exchange for the Ramelius Offer Consideration.

If a Musgrave Shareholder accepts the Ramelius Offer and their Musgrave Shares are transferred to Ramelius, it should trigger a CGT event A1 for Australian income tax purposes.

The CGT event will happen:

- (a) at the time Musgrave Shareholders accept the Ramelius Offer; or
- (b) if the Musgrave Shareholder does not accept the Ramelius Offer and the Musgrave Shares are compulsorily acquired by Ramelius, the time at which the Musgrave Shares are acquired.

Musgrave Shareholders who acquired their Musgrave Shares on or after 20 September 1985 will:

- (a) make a capital gain if the capital proceeds received on the disposal of their Musgrave Shares are more than the tax cost base of those Musgrave Shares. Musgrave Shareholders who make a capital gain on disposal of their Musgrave Shares relating to the cash portion will be required to include the net capital gain (if any) for the income year in their assessable income. No CGT scrip for scrip rollover relief should be applicable to the cash portion of the Ramelius Offer. The scrip portion may be subject to the application of the CGT scrip for scrip rollover and/or the availability of the CGT discount; or
- (b) make a capital loss if the capital proceeds received on the disposal of their Musgrave Shares are less than the reduced cost base of those Musgrave Shares. Musgrave Shareholders who make a capital loss can only offset the capital losses against capital gains realised in the same or subsequent income years. Specific loss recoupment rules apply to companies and may restrict their ability to utilise capital losses in a future period.

The capital proceeds received by a Musgrave Shareholder that accepts the Ramelius Offer will be equal to the Ramelius Offer Consideration. This should include the \$0.04 cash for each Musgrave Share, and the market value of the Ramelius Share received at the time of the CGT event.

The cost base of Musgrave Shares in the hands of the Musgrave Shareholders will be broadly the sum of the original amount paid to acquire their Musgrave Shares, any non-deductible incidental costs associated with the acquisition of the Musgrave Shares (such as brokerage or stamp duty) and any non-deductible incidental costs associated with the disposal of the Musgrave Shares to Ramelius. The reduced cost base of a Musgrave Share is calculated in a similar, but not identical, manner.

Capital gains and capital losses of a taxpayer in a year of income are aggregated to determine whether there is a net capital gain (or loss).

Therefore, the Musgrave Shareholder may realise a capital gain if the capital proceeds from the transfer exceed the tax cost base of their Musgrave Shares. Alternatively, a capital loss may occur if the reduced cost base of their shares exceeds the capital proceeds.

A net capital gain may be further reduced by other concessions, where applicable (particularly the CGT discount rules or CGT scrip for scrip rollover as discussed below). If so, that net capital gain after applying any CGT concessions is included in assessable income and subject to Australian income tax.

9.3 CGT scrip for scrip rollover

Musgrave Shareholders should be eligible to choose CGT scrip for scrip rollover relief in relation to the scrip portion of the Ramelius Offer, specifically under Subdivision 124-M of the *Income Tax Assessment Act 1997* (the **Tax Act**) in respect of the disposal of Musgrave Shares where Ramelius acquires 80% or more of Musgrave Shares, so that any resulting CGT gain in respect of the scrip portion of the Ramelius Offer on the disposal of Musgrave Shares is deferred until a disposal or other taxable event in respect of the replacement Ramelius Shares received by the Musgrave Shareholder.

Musgrave Shareholders can only elect for CGT scrip for scrip rollover relief to apply if it would otherwise make a capital gain on the disposal of their Musgrave Shares under the Ramelius Offer.

The benefit of choosing CGT scrip for scrip rollover relief where applicable, will depend on the individual circumstances of each Musgrave Shareholder and therefore Musgrave Shareholders should discuss this with their tax adviser.

Musgrave Shareholders do not need to inform the Australian Taxation Office or document their choice to claim CGT scrip for scrip roll-over relief in any particular way, other than to complete their income tax return in a manner consistent with their choice. Based upon the Bidder's Statement we understand that Ramelius will not make a choice under subsection

124-795(4) of the Tax Act to deny scrip for scrip roll-over relief (where it would otherwise be available).

Where rollover relief is chosen in respect of the scrip portion of the Ramelius Offer:

- (a) any capital gain in respect of the scrip portion of the Ramelius Offer that the Musgrave Shareholder would have otherwise made on disposal of their Musgrave Shares under the Ramelius Offer should be disregarded;
- (b) the tax cost base of the Ramelius Shares received by a Musgrave Shareholder should equal the tax cost base of the Musgrave Shares disposed for scrip consideration. Furthermore, this tax cost base will be allocated on a proportionate basis across the Ramelius Shares received and is relevant in determining any future CGT liability on the subsequent disposal of the Ramelius Shares; and
- (c) for the purposes of determining whether the CGT discount applies on any subsequent disposal of the Ramelius Shares, the date on which a Musgrave Shareholder is deemed to have acquired the Ramelius Shares will be the date they acquired their original Musgrave Shares.

In the event the Ramelius Offer becomes unconditional and Ramelius does not increase its holding to at least 80% of the Musgrave Shares on issue as a result of the Ramelius Offer, CGT scrip for scrip rollover relief will not be available for any Musgrave Shareholders.

9.4 CGT Discount

The CGT discount may apply to Musgrave Shareholders who are individuals, complying superannuation funds, or trusts who have held their Musgrave Shares for at least 12 months before the time of the CGT event resulting in the disposal of the Musgrave Shares by accepting the Ramelius Offer (or having their Musgrave Shares compulsorily acquired).

Broadly, the CGT discount rules enable the Musgrave Shareholders to reduce their capital gain (after the application of any current year or prior year capital losses) by 50% for individuals and trusts, and 33 1/3 % for complying superannuation entities who have not elected CGT scrip for scrip rollover relief, where applicable.

Musgrave Shareholders should be eligible for the CGT discount should they meet the following requirements:

- (a) the Musgrave Shares were acquired, or are taken to have been acquired, at least 12 months before the disposal to Ramelius;
- (b) the Musgrave Shareholder did not choose to index the cost base of their Musgrave Shares; and
- (c) the CGT discount is applied to the capital gain only after any available capital losses are first applied to reduce the capital gain.

The CGT discount is not available to Musgrave Shareholders that are companies. The application of the CGT discount rules to a Musgrave Shareholder that is a trustee of a trust is complex, particularly where distributions to beneficiaries of the trust are attributable to discounted capital gains. Musgrave Shareholders that are trustees of trusts should obtain specific tax advice.

9.5 The CGT Discount is Not Relevant for Calculating a Capital Loss

(a) Capital Losses

A capital loss will arise where the capital proceeds received by the Musgrave Shareholders on the disposal of their Musgrave Shares are less than the reduced cost base of those Musgrave Shares. A capital loss may be used to offset any other capital gains made by the Musgrave Shareholders for the relevant year of income or

may be carried forward to offset capital gains made in future income years. Specific loss recoupment rules apply to companies to restrict their ability to utilise capital losses in future years in some circumstances. Musgrave Shareholders should seek their own tax advice in relation to the operation of these rules.

(b) **Indexation**

Musgrave Shareholders who acquired the Musgrave Shares on or before 21 September 1999 and are either an individual, a complying superannuation fund or a trust, can choose to adjust the cost base of their Musgrave Shares by including indexation by reference to changes in the consumer price index from, broadly, the calendar quarter in which the expenditure was incurred until the quarter ended 30 September 1999. Indexation adjustments are taken into account for calculating a capital gain and not in calculating a capital loss. Making a choice to adjust the cost base to include indexation precludes the Musgrave Shareholder from applying the CGT discount.

9.6 Taxation Consequences of Disposal of Musgrave Shares by Foreign Residents

The tax implications for foreign resident Musgrave Shareholders who hold their Musgrave Shares on revenue account may differ. This Section specifically applies to Musgrave Shareholders who hold their Musgrave Shares on capital account.

Foreign resident Musgrave Shareholders who dispose of their Musgrave Shares may have Australian CGT implications if their Musgrave Shares qualify as "indirect Australian real property interests" (**IARPI**). This requires meeting certain conditions related to shareholding percentage and the value attributable to taxable Australian real property.

Generally, a Musgrave Shareholder who is a foreign resident for Australian income tax purposes and who does not carry on business in Australia at or through a permanent establishment should be exempt from CGT on the disposal of their Musgrave Shares, unless, broadly:

- (a) the foreign resident Musgrave Shareholder (together with its associates) hold 10% or more of the issued Musgrave Shares at the time of the CGT event resulting from the disposal of the Musgrave Shares or for any continuous twelve month period within two years preceding the time of the CGT event; and
- (b) at the time of the disposal, more than 50% of the market value of Musgrave is represented directly or indirectly by 'taxable Australian real property'. This includes interests in Australian land (including leases), and mining, quarrying and prospecting rights over Musgrave petroleum or quarry materials situated in Australia.

Importantly, foreign resident Musgrave Shareholders must assess whether they are subject to CGT at the time of the CGT event resulting from the disposal of their Musgrave Shares. Foreign resident Musgrave Shareholders who are subject to CGT on the disposal of their Musgrave Shares will not be entitled to the CGT discount in relation to that portion of the capital gain which relates to the period after 8 May 2012.

Musgrave Shareholders who are not resident in Australia for income tax purposes should note that the Australian tax consequences from the disposal of Musgrave Shares may be affected by any double tax agreement between Australia and their country of residence. Foreign resident Musgrave Shareholders should obtain specific tax advice.

9.7 Foreign Resident Capital Gains Withholding Tax

Foreign resident capital gains withholding tax of 12.5% generally applies to transactions involving the acquisition of the ownership of an asset that is an IARPI. Musgrave Shareholders falling under the definition of a "relevant foreign resident" may be subject to this withholding tax.

In respect of certain types of transactions entered into on or after 1 July 2016, and subject to certain exceptions, purchasers are required to pay an amount equal to 12.5% of the Ramelius Offer Consideration to the ATO (broadly referred to as the foreign resident CGT payment rules).

Ramelius has indicated in the Bidder's Statement that a CGT Declaration will be included in the acceptance form which accompanies the Bidder's Statement and will allow Musgrave Shareholders to provide a declaration confirming withholding is not required where Musgrave Shareholders are not disposing of an IARPI.

9.8 Stamp Duty

Ramelius will pay the stamp duty (if any) payable in Australia on the transfers of Musgrave Shares under the Ramelius Offer or on the receipt by Musgrave Shareholders of Ramelius Shares as a portion of the Ramelius Offer (scrip consideration portion).

9.9 GST

The disposal of Musgrave Shares by a Musgrave Shareholder to Ramelius pursuant to Ramelius' Offer should either be an input taxed financial supply (if the Musgrave Shareholder is registered for GST), or an out-of- scope supply (if the Musgrave Shareholder is not registered for GST). In either case, no GST should be payable.

Musgrave Shareholders may be charged GST on any fees or charges that a Controlling Participant (such as brokerage and advisor fees) that relate to their participation in Ramelius' Offer. Musgrave Shareholders may not be entitled to claim full input tax credits for the GST included in such costs that relate to the disposal of their Musgrave Shares if the individual Musgrave Shareholder exceeds the financial acquisitions threshold as set out in the relevant GST legislation. However, a reduced input tax credit equal may still be available if the acquisition constitutes a reduced credit acquisition. Musgrave Shareholders should seek independent advice in relation to the impact of GST in their individual circumstances.

10 ADDITIONAL INFORMATION

10.1 Bid Implementation Agreement

On 2 July 2023, Musgrave entered into the Bid Implementation Agreement with Ramelius in relation to the Ramelius Offer.

This Section contains a summary of the material terms of the Bid Implementation Agreement. A full copy of the Bid Implementation Agreement was released by the joint Musgrave and Ramelius ASX announcement released on 3 July 2023.

(a) Ramelius Offer

Ramelius has agreed to offer one (1) Ramelius Share for every 4.21 Musgrave Shares held and \$0.04 in cash for every Musgrave Share held.

(b) Ramelius Offer Conditions

The Ramelius Offer is subject to the Ramelius Offer Conditions as described in Section 8.3 and section 13.8 of the Bidder's Statement.

(c) Musgrave Board recommendation

Musgrave represents and warrants to Ramelius that each Musgrave Director has informed it that:

- (i) they will unanimously recommend the Ramelius Offer, in the absence of a Superior Proposal, Musgrave Shareholder accept the Ramelius Offer;
- (ii) each Musgrave Director will irrevocably accept into the Ramelius Offer for any Musgrave Shares owned by them in accordance with the Musgrave Director pre-bid acceptance agreements;
- (iii) each Musgrave Director must not withdraw, revise, revoke or qualify or make any public statement inconsistent with their recommendation of the Ramelius Offer unless a Superior Proposal emerges, Musgrave has complied with the exclusivity, matching right and fiduciary exception obligations under the Bid Implementation Agreement.

(d) Business conduct obligations

During the Exclusivity Period (expiring at the end of the Ramelius Offer Period), Musgrave must conduct its business and operations in the ordinary course, in accordance with all applicable laws and regulations and consistent with the budget and work program disclosed to Ramelius. This is subject to nothing restricting Musgrave from engaging in anything required or permitted to be done or not done in connection with the legal obligations for the implementation of the Ramelius Offer, anything required to be done in response to the Westgold Offer or matters consented to in writing by the Ramelius (acting reasonably).

(e) Board Appointment

Subject to Ramelius declaring the Ramelius Offer (or the Ramelius Offer otherwise becoming) unconditional and Ramelius having acceptances of at least 50.1% of all Musgrave Shares, Ramelius will have the right to appoint such number of directors so as to comprise a majority on the Musgrave Board. If Ramelius (among other things)

obtains acceptances of at least 90% of all Musgrave Shares, Musgrave agrees to procure the resignation of all Musgrave Directors other than Ramelius appointed directors.

(f) Treatment of Musgrave Options

Prior to the Ramelius Offer becoming unconditional and subject to any necessary ASX waivers, Ramelius must make an offer to acquire all of the Musgrave Options (outstanding as at such date) from each Musgrave Optionholder or seek such holder's consent for the cancellation of its Musgrave Options on terms materially consistent (including the Musgrave Options consideration amount) as the Ramelius Offer. See Section 5.11 for further details of the treatment of Musgrave Options.

(g) Exclusivity arrangements

Subject to the fiduciary exception described in Section 10.1(i) below, Musgrave has agreed to exclusivity obligations. The Bid Implementation Agreement contains no shop, no talk and no due diligence restrictions on Musgrave. During the Exclusivity Period, Musgrave warrants that, amongst other things:

- (i) from 1 July 2023, it is no longer involved in or otherwise participating in negotiations or discussions, other than the discussions with Ramelius in respect of the Ramelius Offer, in respect of any:
 - (A) actual, proposed or potential Competing Proposal; or
 - (B) transaction that would, or would reasonably be expected to, reduce the likelihood of success of the Ramelius Offer,

with any Third Party and has ceased any such discussions or negotiations to the extent that they were on foot prior to 1 July 2023;

- (ii) it will not directly or indirectly solicit, invite, encourage or initiate any inquiry, expression of interest, offer, proposal or discussion by any Third Party in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal;
- (iii) it will not directly or indirectly engage in or participate in any discussions or negotiations, or communicate any intention to do any of these things, with any Third Party in relation to (or which may reasonably be expected to lead to) a Competing Proposal, even if that Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Musgrave or any of its Related Persons or that Third Party has publicly announced the Competing Proposal;
- (iv) it will not directly or indirectly solicit, invite, initiate or encourage or facilitate, enable or permit any Third Party to undertake due diligence investigations or make available to any Third Party (or permit any such Third Party to receive) any non-public information, in respect of or relating to Musgrave, its Subsidiaries, or any of their tenements, assets and operations, in connection with such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, an actual, proposed or potential Competing Proposal.

(h) Notification and Matching Right

During the Exclusivity Period, Musgrave must, within two (2) Business Days provide Ramelius information (with all material details of the relevant event) regarding:

- (i) any approach, inquiry or proposal made by any Third Party to Musgrave or any of its Related Persons, to initiate any discussions or negotiations that concern, or that could reasonably be expected to lead to, a Competing Proposal;
- (ii) any request made by any Third Party to Musgrave or any of its Related Persons for any information relating to Musgrave, its Subsidiaries, or any tenements, assets or operations, in connection with such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, an actual, proposed or potential Competing Proposal; or
- (iii) the provision by Musgrave or any of its Related Persons of any information relating to Musgrave or any of its Subsidiaries or any of their tenements, assets or operations to any Third Party in connection with or for the purposes of any actual, proposed or potential Competing Proposal.

Clause 5.5(a) of the Bid Implementation Agreement (as summarised above) applies regardless of any prior discussions or negotiations between Musgrave and that Third Party or any advisor to that Third Party.

(i) **Fiduciary exception**

The exclusivity restrictions detailed at Section 10.1(g) above do not apply to the extent that it restricts Musgrave from responding to a written bona fide actual, proposed or potential Competing Proposal, provided the Musgrave Board has determined in good faith based on the information then available and after consultation from its independent financial and legal advisers, that:

- (i) the Competing Proposal is, or may reasonably be expected to lead to a Superior Proposal; and
- (ii) failing to respond with respect to the Competing Proposal would be reasonably likely to constitute a breach of any of the legal obligations or fiduciary duties of the members of the Musgrave Board.

Before Musgrave can rely on this fiduciary exception, the Musgrave Board must obtain a written opinion from a legal adviser confirming that failing to take action which is proposed to be taken with respect to the relevant Competing Proposal would, or would be likely to, involve a breach of the legal obligations or fiduciary duties of each Musgrave Director.

(j) **Break fee**

Musgrave must pay Ramelius a break fee of A\$1.68 million (exclusive of GST) if:

- (i) Musgrave accepts or enters into or offers to accept or enter into, any agreement arrangement or understanding regarding a Competing Proposal, other than Musgrave entering into a confidentiality agreement with a Third Party in compliance with the exclusivity provisions of the Bid Implementation Agreement;
- (ii) any Musgrave Director approves or recommends or makes an announcement or statement in support of a Competing Proposal or announces an intention to do any of those acts;
- (iii) Musgrave Directors fail to make, withdraws or adversely modifies the unanimous recommendation of the Ramelius Offer;

- (iv) any Musgrave Director fails to comply with its obligations under the pre-bid acceptance agreements or is otherwise in breach of the pre-bid acceptance agreements;
 - (v) Musgrave or any of Musgrave Directors does (or omits to do) anything (whether or not it may be permitted by the terms of this document) which results in any of the Ramelius Offer Conditions being breached and Ramelius does not declare the Ramelius Offer free of the breached condition (which Ramelius is under no obligation to do);
 - (vi) there is a breach of the exclusivity provisions of the Bid Implementation Agreement by Musgrave; or
 - (vii) there is a material breach of Bid Implementation Agreement by Musgrave,
- and Ramelius terminates the Bid Implementation Agreement pursuant to clauses 8.1(a), 8.1(b) or 8.2 of the Bid Implementation Agreement.

(k) **Termination**

Standard termination clauses have been agreed to in the Bid Implementation Agreement.

Further, Ramelius may terminate the Bid Implementation Agreement where:

- (i) a Superior Proposal is made or publicly announced by a Third Party;
- (ii) Musgrave accepts or enters into or offers to accept or enter into, any agreement arrangement or understanding regarding a Competing Proposal;
- (iii) any Musgrave Director fails to make, withdraws or adversely modifies the unanimous recommendation of the Musgrave Directors; or
- (iv) any Musgrave Director fails to comply with its obligations under the pre-bid acceptance agreements or is otherwise in breach of the pre-bid acceptance agreements.

Musgrave may terminate the Bid Implementation Agreement where the Musgrave Board changes or withdraws their recommendation provided that, before termination, Musgrave has paid the break fee to Ramelius.

(l) **Warranties**

Musgrave provided a number of representations and warranties that are standard for an agreement of this nature.

10.2 Pre-bid Acceptance Agreements

Each of the Musgrave Directors have entered into binding pre-bid acceptance agreements in respect of all the Musgrave Shares they own or Control to accept, or procure the acceptance, of the Ramelius Offer by no later than five (5) days after the Ramelius Offer has opened. The Musgrave Directors have Voting Power of approximately 2.43% in 14,372,664 Musgrave Shares as at the Announcement Date.

The pre-bid acceptance agreements for each Musgrave Director provide that each Musgrave Director must not dispose of, transfer, encumber or otherwise deal with any of their Musgrave Shares, except to Ramelius and on and from the date the pre-bid acceptance agreements accepts the Ramelius Offer, not to withdraw its acceptance, even if the Musgrave Director

may be permitted to do so by law (including under section 650E of the Corporations Act) or under the terms of the Ramelius Offer.

The pre-bid acceptance agreements for the Musgrave Directors will terminate immediately and will cease to be of any effect if:

- (a) after the Announcement Date but prior to five (5) days after the Ramelius Offer has opened:
 - (i) a Superior Proposal is announced; and
 - (ii) Ramelius does not announce within five (5) days after the Superior Proposal is announced that it has increased the consideration of the Ramelius Offer such that the Superior Proposal ceases to be a Superior Proposal;
- (b) the Ramelius Offer is not been made within two (2) months after being announced, or having been made, is withdrawn;
- (c) the Ramelius Offer lapses or expires because a defeating condition has not been satisfied or waived by the end of the Ramelius Offer Period; or
- (d) the Ramelius Offer is declared unconditional (or Ramelius has notified that all of the Ramelius Offer Conditions have been satisfied or waived) and the Musgrave Director, and its applicable Related Entities, have accepted the Ramelius Offer in respect of their Musgrave Shares.

Ramelius and the Musgrave Directors provided warranties standard for an agreement of this nature.

In addition, Westminex Pty Ltd (and associated entities), which is the largest Musgrave Shareholder as at the Announcement Date, has signed a binding pre-bid acceptance agreement in respect of their 57,338,325 Musgrave Shares (representing 9.70%) on the same terms as the Musgrave Directors.

The total level of pre-bid commitments is approximately 12.13%.

10.3 Interests of Musgrave Directors

(a) Musgrave Director Interests

The number, description and amount of Musgrave securities in which each Musgrave Director has a Notifiable Interest as at the Last Practicable Date are:

Musgrave Director	No. of Shares held	Percentage shareholding	No. of Options held
Graham Ascough	3,491,172	0.59%	3,250,000
Robert Waugh	8,300,000	1.40%	5,000,000
Kelly Ross	1,581,492	0.27%	2,250,000
John Percival	1,000,000	0.17%	2,050,000
Brett Lambert	-	-	2,250,000

Musgrave Shareholders should also be aware that all Musgrave Directors have entered into binding pre-bid acceptance agreements in relation to the Musgrave Shares they own or Control to accept, or procure the acceptance of, the Ramelius Offer by no later than five (5) days after the commencement of the Ramelius Offer Period, subject to the ability to terminate the agreements if a Superior Proposal arises before five (5) days after the commencement of the Ramelius Offer Period.

Other than as disclosed in this Target's Statement, no other benefits are provided to the Musgrave Directors under the Ramelius Offer.

Other than disclosed to ASX, no Musgrave Director acquired or disposed of a Relevant Interest in any Musgrave securities in the four month period ending on the date immediately before the date of this Target's Statement.

However, Musgrave Directors may indirectly, and without their knowledge, hold Musgrave Shares through memberships of professional superannuation or investment funds where such funds hold Musgrave Shares for investment purposes.

The vesting of the Musgrave Options may be accelerated upon Ramelius acquiring Control of Musgrave and the Ramelius Offer becoming unconditional. If the Musgrave Options are not exercised before the Ramelius Offer closes, Ramelius proposes to acquire the Musgrave Options via a private treaty with Ramelius where such options will be valued using traditional option valuation methodologies.

(b) Ramelius marketable securities

Other than the 25,650 Ramelius Shares held by Mr Robert Scott Waugh and Mrs Sara Ruth Waugh ATF Waugh Family A/C, there are no marketable securities of Ramelius controlled or held by, or on behalf of, any Musgrave Director as at the Last Practicable Date.

(c) Participation in the Ramelius Offer

Except as detailed in this Section 10.3 or elsewhere in this Target's Statement, all Musgrave Directors will be treated in the same way under the Ramelius Offer as all other Musgrave Shareholders.

(d) Interests of Musgrave Directors in contracts entered into by Ramelius

Except as detailed in this Section 10.3 or elsewhere in this Target's Statement, none of the Musgrave Directors have any interests in contracts entered into by Ramelius.

(e) Other agreements or arrangements with Musgrave Directors in connection with the Ramelius Offer

Except as detailed in Sections 5.11 or 10.3 or elsewhere in this Target's Statement, there are no other agreements or arrangements between any Musgrave Director and any other person in connection with or conditional upon the outcome of the Ramelius Offer, other than in their capacity as a Musgrave Shareholder or Musgrave Optionholder (as applicable).

Except as detailed in Sections 5.11 or 10.3 or elsewhere in this Target's Statement no Musgrave Director has a material interest in relation to the Ramelius Offer, other than in their capacity as a Musgrave Shareholder or Musgrave Optionholder (as applicable).

10.4 Agreements or arrangements with Musgrave Directors and executive officers

(a) Deeds of indemnity, access and insurance

In addition to their respective contracts of engagement, Musgrave has entered into deeds of indemnity, insurance and access with the Musgrave Directors and various executive officers, on customary terms.

Musgrave pays premiums in respect of a directors and officers insurance policy for the benefit of the Musgrave Directors and executive officers.

(b) **Other termination benefits**

Except as detailed in this Section 10.4(b) or elsewhere in this Target's Statement, there are no payments or other benefits that are proposed to:

- (i) be made or given to any director, secretary (or other existing key management personnel, details of whose remuneration are included in the Remuneration Report) of Musgrave as compensation for loss of, or as consideration for or in connection with his or her retirement from, office in Musgrave or in a Related Body Corporate of Musgrave; or
- (ii) be made or given to any director, secretary (or other existing key management personnel, details of whose remuneration are included in the Remuneration Report) of any Related Body Corporate of Musgrave as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in that body corporate or in Musgrave.

10.5 Substantial holders

As at the Last Practicable Date, the following persons had notified Musgrave through the lodgement of substantial shareholder notices that they had Voting Power in 5% or more of Musgrave Shares:

Musgrave Shareholder	No. of Shares	%
Ramelius Resources Limited (and associated entities) ¹	71,710,989	12.13%
Westminex Pty Ltd ²	50,016,159	9.31%
Jetosea Pty Ltd ³	16,130,000	6.06%

Notes:

1. The above disclosure for Ramelius Resources Limited (and associated entities) is based on the Form 603 – Initial Substantial Holder lodged by Ramelius Resources Limited on 3 July 2023, with the Relevant Interest arising from the pre-bid acceptance agreements described in Section 10.2.
2. The above disclosure for Westminex Pty Ltd is based on the Form 604 – Notice of Change of Interests of Substantial Holder lodged by Westminex Pty Ltd on 14 April 2022. Based on the Musgrave Share register as at the Last Practicable Date, it appears that Westminex Pty Ltd (and associated entities) hold 57,338,325 Musgrave Shares (9.7%).
3. The above disclosure for Jetosea Pty Ltd is based on the Form 603 – Initial Substantial Holder lodged by Jetosea Pty Ltd on 17 October 2017. Based on the Musgrave Share register as at the Last Practicable Date, it appears that Jetosea Pty Ltd holds 51,404,405 Musgrave Shares (8.69%).

10.6 ASX announcements

The following announcements have been lodged on Musgrave's ASX platform since the release of its annual financial report for the year ended 30 June 2022 on 7 October 2022:

Announcement	Date
RMS / MGV: Ramelius and Musgrave copy of Bidder's Statement	11/07/2023
Target's Statement and ASIC relief – Ramelius offer	06/07/2023
Shareholder Access Letter (Target Statement)	04/07/2023
WGX: Update on Westgold's Offer for Musgrave	04/07/2023
Target's Statement and ASIC relief	03/07/2023

Announcement	Date
Target's Statement	03/07/2023
Notice of initial substantial shareholder from RMS	03/07/2023
RMS / MGV: Shareholder Letter – ACCEPT the Ramelius Takeover Offer	03/07/2023
RMS / MGV: Ramelius and Musgrave Minerals Bid Implementation Agreement	03/07/2023
RMS / MGV: Presentation Ramelius takeover offer for Musgrave Minerals	03/07/2023
RMS / MGV: Ramelius makes recommended takeover offer for Musgrave	03/07/2023
Shareholder Letter - Additional Information	28/06/2023
WGX: First Supplementary Bidder's Statement	26/06/2023
Letter to Shareholders - REJECT - the Westgold Offer	26/06/2023
WGX: Offer for Musgrave Now Open and Completion of Despatch	23/06/2023
Further high-grade drilling results, Cue Gold Project	13/06/2023
Becoming a substantial holder from WGX	13/06/2023
TAKE NO ACTION in response to Westgold Bidder Statement	09/06/2023
WGX: Bidder's Statement	09/06/2023
Receipt of unsolicited intention to make a takeover offer	06/06/2023
WGX: Takeover Offer Presentation for Musgrave Minerals	06/06/2023
WGX: Westgold Announces Takeover Offer for Musgrave	06/06/2023
High-grade drilling results at Leviticus, Cue Gold Project	23/05/2023
Sydney Resources Round-Up - Company Presentation	09/05/2023
Cue Project - Stage 1 PFS 3D interactive model	05/05/2023
Notification of cessation of securities - MGV	03/05/2023
Quarterly Activities & Cashflow Report	28/04/2023
Stage 1 PFS Presentation - Cue Gold Project	17/04/2023
Stage 1 PFS demonstrates potential value of Cue Gold Project	17/04/2023
Cue Project - 3D Interactive Model and PFS Update	24/03/2023
Half Year Accounts	10/03/2023
Company Presentation - Euroz Hartleys Conference	08/03/2023
New high-grade lode identified along Break of Day corridor	23/02/2023
Notification of cessation of securities - MGV	17/02/2023
Company Presentation - RIU Explorers Conference	14/02/2023
Amarillo and Big Sky drilling results, Cue Gold Project	14/02/2023
Quarterly Activities & Cashflow Report	31/01/2023

Announcement	Date
Further gold intersections, West Island Cue JV	24/01/2023
Evolution satisfies earn-in milestone	12/01/2023
Change of Director's Interest Notice (amended)	30/12/2022
Change of Director's Interest Notice	29/12/2022
Application for quotation of securities - MGV	29/12/2022
Results of Share Purchase Plan	22/12/2022
Mining Lease grant and strong metallurgical test results	16/12/2022
Share Purchase Plan Offer Document	02/12/2022
Cleansing Statement	02/12/2022
Application for quotation of securities - MGV	02/12/2022
Investor Update Presentation	25/11/2022
Proposed issue of securities - MGV	25/11/2022
\$10 Million Capital Raising to Progress Cue Project	25/11/2022
Trading Halt	23/11/2022
Encouraging Gold Intercepts Continue at Big Sky	21/11/2022
Notification regarding unquoted securities - MGV	14/11/2022
Change of Director's Interest Notice x 5	14/11/2022
Notification regarding unquoted securities - MGV	14/11/2022
Results of Meeting	08/11/2022
2022 AGM presentation	08/11/2022
2022 Chairman's Address to AGM	08/11/2022
Terms of Director Options	08/11/2022
High-grade drilling results continue at White Heat-Mosaic	07/11/2022
Cleansing Statement	03/11/2022
Application for quotation of securities - MGV	03/11/2022
Quarterly Activities & Cashflow Report	27/10/2022
Gold intersections continue at West Island, Cue JV	20/10/2022
Proposed issue of securities - MGV	07/10/2022

10.7 Consents

(a) Consents

The following parties have given and have not withdrawn, before the date of issue of this Target's Statement, their written consent to be named in this Target's Statement in the form and context in which they are named:

- (i) Thomson Geer as Australian legal advisers to Musgrave;
- (ii) Longreach Capital as financial adviser to Musgrave;

- (iii) Deloitte Tax Services Pty Ltd as tax adviser to Musgrave; and
- (iv) Computershare Investor Services Pty Limited as the Share Registry.

(b) **Disclaimer**

Each person referred to in Section 10.7(a):

- (i) has not authorised or caused the issue of this Target's Statement;
- (ii) 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 other than as specified in Section 10.7(a); and
- (iii) 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 and any statement which has been included in this Target's Statement with the consent of that person referred to in Section 10.7(a).

(c) **Musgrave Directors**

Each of the Musgrave Directors has given and not withdrawn their consent to:

- (i) be named in this Target's Statement in the form and context in which they are named; and
- (ii) statements attributable to them being included in this Target's Statement in the form and context in which they appear.

(d) **Other**

As permitted by ASIC Class Order 13/521, this Target's Statement contains statements that are made, or based on statements made, in documents lodged with ASIC or ASX (in compliance with the Listing Rules). Pursuant to this Class Order, the consent of persons such statements are attributed to is not required for the inclusion of those statements in this Target's Statement. Refer to Section 5.14.

In accordance with ASIC Class Order 13/521, any Musgrave Shareholder who would like to receive a copy of those documents (or relevant extracts from those documents) may obtain a copy free of charge by contacting Musgrave.

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

- (i) fairly representing a statement by an official person; or
- (ii) from a public official document or published book, journal or comparable publication.

Pursuant to this Class Order, the consent of persons such statements are attributed to is not required for inclusion of those statements in this Target's Statement.

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Target's Statement also contains trading data obtained from IRESS without consent.

10.8 Transaction Expenses

The transaction will result in Musgrave incurring fees and expenses that would not otherwise have arisen. The costs and expenses to Musgrave associated with the transaction, the Ramelius Offer (including, without limitation, fees of external professional advisers to

Musgrave and costs of printing and dispatch of this Target's Statement) are estimated to be up to \$182,700 in aggregate. There is also a contingency fee payable to Musgrave's financial adviser, Longreach Capital, being approximately \$2.1 million if the Ramelius Offer is successful in Ramelius acquiring at least 50% of Musgrave Shares.

10.9 Other material information

There is no other information that Musgrave Shareholders or their professional advisers would reasonably require to make an informed assessment on whether to accept the Ramelius Offer, being information which:

- (a) is reasonable for Musgrave Shareholders and their professional advisers to expect to find in this Target's Statement; and
- (b) is known to any of the Musgrave Directors.

In deciding what information should be included in this Target's Statement, the Musgrave Directors have had regard to, amongst other things, the time available to Musgrave to prepare this Target's Statement and the matters which Musgrave Shareholders (or their professional advisers) may reasonably be expected to know, including information contained in documents previously sent to Musgrave Shareholders and information available from public sources such as the ASX, ASIC and Musgrave's website at www.musgraveminerals.com.au.

11 AUTHORISATION

This Target's Statement is dated 13 July 2023 and was approved pursuant to a unanimous resolution passed by the Musgrave Directors.

Signed for and on behalf of Musgrave Minerals Limited

A handwritten signature in black ink, appearing to read 'G. Ascough', written in a cursive style.

Mr Graham Ascough
Non-Executive Chairman

12 GLOSSARY

In this Target's Statement, unless the context requires otherwise:

\$, A\$ or AUD means the lawful currency of Australia.

Accounting Standards means:

- (a) the accounting standards made by the Australian Accounting Standards Board in accordance with the Corporations Act, and the requirements of the Corporations Act relating to the preparation and content of accounts; and
- (b) generally accepted accounting principles that are consistently applied in Australia, except those inconsistent with the standards or requirements referred to in paragraph (a).

AIC means all in costs.

AISC means all in sustaining costs.

Announcement Date means 3 July 2023, the date on which the Ramelius Offer was announced on the ASX announcements platform.

ASIC means the Australian Securities & Investments Commission.

Associate has the meaning set out in section 12 of the Corporations Act as if subsection 12(1) of the Corporations Act included a reference to this document and Musgrave, the Bidder or Ramelius was the designated body (as the case may be).

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as appropriate.

ASX Settlement means ASX Settlement Pty Limited ABN 49 008 504 532.

Authorisation means:

- (a) an approval, authorisation, consent, declaration, exemption, notarisation, licence, quota, permit or waiver, however described, and any condition attaching to it; and
- (b) in the context of anything that could be prohibited or restricted by law if a Government Agency acts in any way within a specified period, the expiry of the period without that action being taken,

including any renewal, consolidation, replacement, extension or amendment of any of them.

Bid means the off-market takeover bid by Ramelius for all Musgrave Shares (including any Musgrave Shares to be issued upon exercise of Musgrave Options) pursuant to the Ramelius Offer, under Chapter 6 of the Corporations Act.

Bid Implementation Agreement means the bid implementation agreement between Musgrave and Ramelius dated 2 July 2023 (as may be amended from time to time).

Bidder means Mt Magnet Gold Pty Ltd (ABN 66 008 669 556), a wholly-owned Subsidiary of Ramelius.

Bidder's Statement means the bidder's statement dated 11 July 2023 issued by Ramelius under Part 6.5 of the Corporations Act relating to the Ramelius Offer.

CGT means capital gains tax.

Combined Group means Ramelius and its Subsidiaries, following Ramelius acquiring Control of Musgrave.

Competing Proposal means any expression of interest, proposal (including a scheme of arrangement), offer or transaction (or series of transactions) that would, if completed substantially in accordance with its terms, result in:

- (a) any person or persons other than Ramelius (or one of the Bidder's Associates) acquiring:
 - (i) an interest in all or a substantial part of the tenements or assets of Musgrave or any of its Subsidiaries;
 - (ii) a Relevant Interest in more than 10% of the voting shares of Musgrave or any of its Subsidiaries; or
 - (iii) Control of Musgrave or any of its Subsidiaries; or
- (b) Musgrave and another person or persons (other than Musgrave or one of Musgrave's Associates) operating under a dual listed company, or similar structure.

Commissioner has the meaning given in Section 8.12.

Control has the meaning given to that term in section 50AA of the Corporations Act and **Controlled** has the corresponding meaning.

Controlling Participant has the same meaning (in relation to your Musgrave Shares) as in the ASX Settlement Operating Rules (normally your broker).

Corporations Act means the *Corporations Act 2001* (Cth).

Due Diligence Information means all written information (including in electronic form) relating to the business, tenements, assets, liabilities, operations, profits and losses, financial position and performance and prospects of Musgrave provided by Musgrave or its Related Persons to Ramelius or its Related Persons during the Due Diligence Period.

Due Diligence Period means the period commencing on the date of the 4 June 2023 and expiring at 11:59pm on the date of the Bid Implementation Agreement.

EBITDA means earnings before interest, taxes and depreciation.

Encumbrance means an interest or power:

- (a) reserved in or over any interest in any asset including any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power, by way of security for the payment of debt or any other monetary obligation or the performance of any other obligation and includes any agreement to grant or create any of the above.

Exclusivity Period means the period commencing 1 July 2023, to the earlier of:

- (a) expiry of the Ramelius Offer Period; or
- (b) the date that the Bid Implementation Agreement is terminated.

Foreign Shareholder has the meaning given in Section 8.12.

Government Agency means any government, any department, officer or minister of any government and any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial agency, authority, board, commission, tribunal or entity whether in Australia or elsewhere and includes any minister, ASIC, the Takeovers Panel and any regulatory organisation established under statute or any stock exchange.

GST means goods and service tax.

Indicated Mineral Resource has the meaning given to that term in the JORC Code.

Inferred Mineral Resource has the meaning given to that term in the JORC Code.

IRR means internal rate of return.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition) published by the Joint Ore Reserves Committee of the Australian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia.

Key Tenement means M58/224, M58/225, M58/366, M58/367 and M21/106.

Last Practicable Date means 12 July 2023, being the last practicable date prior to lodgement of this Target's Statement.

Listing Rules means the official listing rules of ASX, as amended from time to time.

Marketable Parcel has the meaning given in the ASX Operating Rules Procedures which, among other things, includes a parcel of Ramelius Shares, the value of which is not less than A\$500.

Material Contract means:

- (a) the earn-in and joint venture agreement dated on or around 17 September 2019 between Musgrave and Evolution Mining Limited ACN 084 669 036 (or their respective Related Entities);
- (b) the joint venture agreement dated 1 May 2020 between Musgrave and Cyprium Australia Pty Ltd ACN 630 012 529 (or their respective Related Entities);
- (c) the net smelter return royalty between Musgrave and Menninnie Metals Pty Ltd ACN 113 342 180 (or their respective Related Entities) with regards to all ores, concentrates or other primary, intermediate or final product of any minerals produced from the Menninnie Dam project; and
- (d) any agreement, contract, or other arrangement or instrument to which any Musgrave Group member is a party or bound by or to which any of the assets of any Musgrave Group member is subject, and which:
 - (i) imposes obligations or liabilities on any party of at least \$1.2 million per annum or \$100,000 per month;
 - (ii) delivers a contribution to consolidated net profit after tax of the Musgrave Group, taken as a whole, of at least \$500,000 in any financial year of Musgrave;
 - (iii) restricts the ability of any Musgrave Group member or any person who controls Musgrave from engaging in or competing with any business in any place; or
 - (iv) is otherwise of material importance to the Musgrave Group.

Mineral Resource has the meaning given to that term in the JORC Code.

Musgrave means Musgrave Minerals Limited ACN 143 890 671.

Musgrave Board means the board of directors of Musgrave.

Musgrave Convertibles means an option or some other form of instrument (for instance a performance right or share) permitting the holder to subscribe for a Musgrave Share and includes a Musgrave Option.

Musgrave Director means a director of Musgrave.

Musgrave Group means Musgrave and its Subsidiaries, and a member of the Musgrave Group means any one of them.

Musgrave Group Member means any member of the Musgrave Group.

Musgrave Material Adverse Change means any matter, event, change in condition, circumstances, information or thing (**Musgrave Change**) which occurs, is announced or becomes known to the Bidder (whether or not in the public domain) that, either individually or when aggregated with all such Musgrave Changes:

- (a) diminishes or could reasonably be expected to diminish:
 - (i) Musgrave's JORC Code compliant Mineral Resources estimate in respect of the Cue Gold Project by 10% or more from the position publicly disclosed by Musgrave prior to the Announcement Date; or
 - (ii) the consolidated net assets of the Musgrave Group by 3.5% or more (by reference to the consolidated net assets contained in Musgrave's half-year financial report for the half-year ended 31 December 2022);
- (b) have a material effect on the Key Tenements, including the status or terms of (or rights attaching to) the Key Tenements, or the ability of the owner of the Key Tenements to exploit them;

other than any Musgrave Change that arises from or in connection with:

- (c) the Ramelius Offer;
- (d) facts and circumstances disclosed in any announcement by Musgrave to the ASX, or a publicly available document lodged with ASIC, in the 12 months prior to the Announcement Date;
- (e) any change on or after the Announcement Date in:
 - (i) Australian or international economic conditions, credit markets, or capital markets (including changes in interest rates);
 - (ii) the industry in which Musgrave operates;
 - (iii) laws (including any statute, ordinance, rule, regulation, the common law and equitable principles) or the interpretation, application or non-application of any laws by any Government Agency; or
 - (iv) Accounting Standards;
- (f) any war, act of terrorism, civil unrest or similar event occurring on or after the Announcement Date;
- (g) any act of God, lightning, storm, flood, fire, earthquake or explosion, cyclone, tidal wave, landslide, adverse weather conditions occurring on or after the Announcement Date;
- (h) the portion of any event, matter change or circumstances which is as a consequence of losses, expenses, damages or other costs covered by insurance which the Musgrave Group's insurers have agreed to pay; or
- (i) costs and expenses associated with the Ramelius Offer,

provided that, in the case of exceptions (d), (f) and (g), such Musgrave Change does not affect Musgrave in a manner that is materially disproportionate to the effect on other companies of a similar size operating in the same industry as Musgrave and, for the

avoidance of doubt, in the event Musgrave is affected materially disproportionately by such Musgrave Change, the financial impact of such Musgrave Change will be taken into account for the purposes of this definition only to the extent that the financial impact on Musgrave is in excess of the proportionate financial impact of the Musgrave Change on other companies of a similar size operating in the same industry as Musgrave.

Musgrave Option means an unlisted option to acquire a Musgrave Share.

Musgrave Optionholder means a holder of one or more Musgrave Options.

Musgrave Prescribed Occurrence means any of the following events:

- (a) Musgrave converts all or any of the Musgrave Shares into a larger or smaller number of shares;
- (b) Musgrave or a Subsidiary resolves to reduce its share capital in any way;
- (c) Musgrave or a Subsidiary:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) Musgrave or a Subsidiary:
 - (i) issues shares or agrees to issue shares; or
 - (ii) grants an option over its shares or agrees to grant an option over its shares;
- (e) Musgrave or a Subsidiary issues, or agrees to issue, convertible notes;
- (f) Musgrave or a Subsidiary disposes, or agrees to dispose, of the whole (or a substantial part) of its business or property;
- (g) Musgrave or a Subsidiary charges (or agrees to charge) the whole (or a substantial part) of its business or property;
- (h) Musgrave or a Subsidiary resolves to be wound up;
- (i) a liquidator or provisional liquidator of Musgrave or of a Subsidiary is appointed;
- (j) a court makes an order for the winding up of Musgrave or of a Subsidiary;
- (k) an administrator of Musgrave, or of a Subsidiary, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Musgrave or a Subsidiary executes a deed of company arrangement; and
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Musgrave or of a Subsidiary.

Musgrave Register means the share register of Musgrave Shareholders kept pursuant to the Corporations Act.

Musgrave Regulated Event means each of the following events:

- (a) any Musgrave Group member announces, declares or determines to pay any dividend or announces or makes any other distribution (whether in cash or in specie) to its members;
- (b) any Musgrave Group member:

- (i) acquires or disposes of any shares or other securities in any body corporate or any units in any trust;
 - (ii) acquires substantially all of the assets of any business;
 - (iii) disposes of, or agrees to dispose of or licences, the whole, or a substantial part of its business or property, or
 - (iv) exercises or waives any pre-emptive rights or rights of first or last refusal in respect of any undertaking, entity, asset or business (or such interest in an undertaking, entity, asset or business) held by another person,

the value of which exceeds, or which could reasonably be expected to exceed, \$500,000 (individually) or \$5 million (in aggregate);
- (c) any Musgrave Group member does any of the following in respect of any Key Tenement which any Musgrave Group member holds or has any right title or interest in:
- (i) relinquishes, sells or disposes of any interest or creates any Encumbrance over any of the Key Tenements;
 - (ii) takes any action or omits to take any action that results in or may reasonably be expected to result in a breach of the terms of any of the Key Tenements or any environmental authority relating to any of the Key Tenements; or
 - (iii) takes any action or omits to take any action that results in or may reasonably be expected to result in the surrender of any of the Key Tenements or any environmental authority relating to any of the Key Tenements;
- (d) any Musgrave Group member varies or waives its rights in any materially adverse respect, or terminates, cancels, surrenders, forfeits or allows to lapse or expire (without renewal on terms and conditions that are no less favourable to the Musgrave Group) any material licence, lease or Authorisation (including a Key Tenement) (or a number of licences, leases or Authorisations (including Key Tenements) which, when taken together, are material to the conduct of the business of the Musgrave Group as a whole);
- (e) any Musgrave Group member agrees to waive or adversely vary in a material respect any material rights under, or terminate any Material Contract;
- (f) any Musgrave Group member enters into a transaction or arrangement which, if completed, would result in a Third Party entitled to, acquire any legal, beneficial or economic interest in production from the Musgrave Group member's current or future operations or right to sell or market production (other than an agreement with the Bidder);
- (g) any Musgrave Group member enters into or agrees to enter into any agreement, contract, lease, joint venture, partnership, farm-in agreement, off-take agreement or other arrangement or instrument (including a commitment to contribute to exploration, appraisal, development or other costs and expenditure if a call or other demand is made upon it), which:
- (i) materially affects the ability of any Musgrave Group member to freely market its share of the resource from the Key Tenement;
 - (ii) imposes obligations or liabilities on any Musgrave Group member of at least \$2.4 million per annum or \$200,000 per month; or
 - (iii) restricts the ability of any Musgrave Group member or any person who controls Musgrave from engaging in or competing with any business in any place;

- (h) any Musgrave Group member incurs or agrees to incur capital expenditure in excess of \$500,000;
- (i) any Musgrave Group member gives any guarantee of, or security for, or financial accommodation, or indemnity in connection with the obligations of any person other than a Musgrave Group member;
- (j) any Musgrave Group member gives or agrees to give any Encumbrance over any of its assets (or an interest in any of its assets), other than liens in the ordinary and usual course of business;
- (k) any Musgrave Group member agrees to accelerate rights of any person to receive any benefit under any employee incentive plan, vary any employee incentive plan, grant or issue any new rights under any employee incentive plan or introduce a new employee incentive plan, other than acceleration or vesting of any existing Musgrave Convertibles pursuant to the terms of any employee incentive plan;
- (l) any Musgrave Group member agrees to increase in any material respect the remuneration of, makes or offers to make any bonus payment, retention payment or termination payment to, or otherwise materially change the terms and conditions of employment of any Musgrave Director or any employee of any Musgrave Group member, other than:
 - (i) in respect of an annual salary review in the ordinary course of business; or
 - (ii) in respect of any bonus, retention or termination payments which does not in aggregate exceed \$100,000;
- (m) any Musgrave Group member commences, compromises or settles any litigation or similar proceeding for an amount exceeding \$500,000;
- (n) any Musgrave Group member fails to comply in all material respects with all laws and regulations applicable to its business or does or omits to do anything which might result in the termination, revocation, suspension, modification or non-renewal of any Authorisation held by it,

other than an event:

 - (o) as reasonably required by an applicable law or by any Government Agency;
 - (p) as disclosed in an announcement by Musgrave to the ASX, or a publicly available document lodged with ASIC, in the 12 months prior to the Announcement Date; or
 - (q) fairly disclosed or arising from information fairly disclosed in Musgrave Due Diligence Information.

Musgrave Share means a fully paid ordinary share in the capital of Musgrave.

Musgrave Shareholder means a person registered in the Musgrave Register as the holder of one or more Musgrave Shares.

Nominee means the sale nominee approved by ASIC.

Notifiable Interest has the same meaning as the term "notifiable interest of a director" as defined in the Listing Rules.

PFS means a prefeasibility study.

Ramelius means Ramelius Resources Limited ACN 001 717 540 and, where the context requires, includes the Bidder.

Ramelius Group means Ramelius and its Subsidiaries.

Ramelius Group Member means a member of the Ramelius Group.

Ramelius Offer or **Offer** means the offer by Ramelius under Chapter 6 of the Corporations Act contained in the Bidder's Statement.

Ramelius Offer Conditions has the meaning given in Section 8.3.

Ramelius Offer Consideration means one (1) Ramelius Share per every 4.21 Musgrave Shares held and \$0.04 in cash for every Musgrave Share held.

Ramelius Offer Period means the period during which the Ramelius Offer will remain open for acceptance.

Ramelius Share means a fully paid ordinary share in Ramelius.

Ramelius Shareholder means a holder of an Ramelius Share.

Related Body Corporate has the meaning it has in the Corporations Act.

Related Entities means in respect of an entity, a second entity that:

- (a) Controls the first entity;
- (b) is under the Control of the first entity; or
- (c) is under the Control of a third entity that also Controls the first entity.

Related Person means:

- (a) in respect of a party or its Related Bodies Corporate, each director, officer, employee, adviser, agent or representative of that party or Related Body Corporate; and
- (b) in respect of any financial adviser retained by a party in relation to the Bid, each director, officer, employee or contractor of that financial adviser.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Section means a section of this Target's Statement.

Share Registry means Computershare Investor Services Pty Limited (ABN 48 078 279 277).

Subsidiary has the meaning given to that term in Division 6 of Part 1.2 of the Corporations Act.

Superior Proposal means a bona fide Competing Proposal that in the determination of the Musgrave Directors acting in good faith:

- (a) is reasonably capable of being valued and completed, taking into account all aspects of the transaction or proposed transaction, including the nature of the Competing Proposal, the conditions associated with the Competing Proposal and the likelihood of those conditions being satisfied within a reasonable period of time and the person or persons making it; and
- (b) is more favourable to Musgrave Shareholders than the Ramelius Offer, taking into account all terms and conditions of the Competing Proposal,

provided that Musgrave's financial adviser has provided a written opinion to the Musgrave Board which supports the determination of the matters in paragraphs (a) and (b) above.

TAA means the *Taxation Administration Act 1953* (Cth).

Target's Statement means this target's statement, being the statement issued by Musgrave under Part 6.5 of the Corporations Act relating to the Ramelius Offer.

Tax Act means the *Income Tax Assessment Act 1936* and/or *Income Tax Assessment Act 1997*, as context requires.

Third Party means a person other than Ramelius and its Associates.

Voting Power has the meaning given to it in the Corporations Act.

VWAP means the volume weighted average price.

Westgold means Westgold Resources Limited ACN 009 260 306.

Westgold Offer means the proposed takeover bid by Westgold to acquire all Musgrave Shares for consideration of one (1) Westgold Share per every 5.37 Musgrave Shares held, as announced on 6 June 2023.

Westgold Share means a fully paid ordinary share in Westgold.

Unmarketable Parcel Shareholder means a Musgrave Shareholder to whom, if they accept the Ramelius Offer, the Ramelius Shares would be issued which would not constitute a Marketable Parcel.

CORPORATE DIRECTORY

Musgrave Directors

Graham Ascough – Non-Executive Chairman

Robert Waugh – Managing Director

Kelly Ross – Non-Executive Director

John Percival – Non-Executive Director

Brett Lambert – Non-Executive Director

Company Secretary

Patricia (Trish) Farr

Registered Office

Ground Floor, 5 Ord Street
West Perth WA 6005

Legal Adviser

Thomson Geer
Level 27, Exchange Tower
2 The Esplanade
Perth WA 6000

Financial Adviser

Longreach Capital
Level 1, 317 Rokeby Rd
Subiaco WA 6008

Share Registry

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
Perth WA 6000