



11 August

TAKEOVER BID FOR MUSGRAVE MINERALS LTD LODGMET OF SUPPLEMENTARY BIDDER'S STATEMENT

Ramelius Resources Limited (ASX: RMS) ("**Ramelius**") refers to its off-market takeover offer for all of the ordinary shares in Musgrave Minerals Limited (ASX: MGV) ("**Musgrave**"), through its wholly-owned subsidiary Mt Magnet Gold Pty Ltd, pursuant to the bidder's statement dated 11 July 2023 ("**Offer**").

Please find attached a supplementary bidder's statement dated 11 August 2023 with respect to the Offer ("**Supplementary Bidder's Statement**").

The Supplementary Bidder's Statement was lodged with ASIC earlier today and will be served on Musgrave. A letter providing instructions on how to access the Supplementary Bidder's Statement will be sent to Musgrave's shareholders.

This ASX Announcement was authorised for release by the Company Secretary of Ramelius..

11 August 2023

ISSUED CAPITAL

Ordinary Shares: 991m

DIRECTORS

NON-EXECUTIVE CHAIR:

Bob Vassie

MANAGING DIRECTOR:

Mark Zeptner

NON-EXECUTIVE DIRECTORS:

David Southam

Natalia Streltsova

Fiona Murdoch

Colin Moorhead

COMPANY SECRETARY:

Richard Jones

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Ramelius Resources Limited
ABN 51 001 717 540

Supplementary Bidder's Statement

This is a supplementary bidder's statement (**Supplementary Bidder's Statement**) under section 643 of the *Corporations Act 2001* (Cth) issued by Ramelius Resources Limited (ABN 51 001 717 540) (**Ramelius**) in connection with the off-market takeover bid, through its wholly-owned subsidiary Mt Magnet Gold Pty Ltd (ABN 66 008 669 556) (**Bidder**), for all the ordinary shares in Musgrave Minerals Limited (ABN 12 143 890 671) (**Musgrave**) contained in Ramelius' bidder's statement dated 11 July 2023 (**Bidder's Statement**).

This Supplementary Bidder's Statement supplements, and should be read together with, the Bidder's Statement.

Unless the context requires otherwise, terms defined in the Bidder's Statement have the same meaning in this Supplementary Bidder's Statement.

This is an important document requiring your immediate attention. If you are in doubt about how to deal with this document, you should contact your broker, financial adviser or legal adviser immediately.

This Supplementary Bidder's Statement is dated 11 August 2023. A copy of this Supplementary Bidder's Statement was lodged with ASIC on 11 August 2023. This document will prevail to the extent of any inconsistency with the Bidder's Statement. Neither ASIC nor any of its officers take any responsibility for the content of this Supplementary Bidder's Statement.

1. UPDATE ON OFFER

1.1 Best and final

Ramelius advises that it will not be increasing the Offer Consideration for Musgrave Shares and that the Offer Consideration is Ramelius' **best and final offer**, in the absence of a Competing Proposal.¹

The Offer Consideration is and will remain as 1 Ramelius Share for every 4.21 Musgrave Shares held plus \$0.04 cash per Musgrave Share, unless a Competing Proposal emerges.

Given that, as at the date of this Supplementary Bidder's Statement, Ramelius has already received acceptances equal to 33.61% of Musgrave Shares, Musgrave Shareholders who have not accepted the Offer will need to consider the likelihood of a third party making a Competing Proposal for Musgrave in these circumstances.

1.2 Extension

The Offer Period will now end at 7.00pm (Sydney time) on **1 September 2023** (unless further extended or withdrawn).

A formal notice of variation of the Offer, extending the offer period, will be lodged with ASIC and served on Musgrave today.

¹ As defined in section 15.1 of the Bidder's Statement.

1.3 Conditions

Ramelius advises that all conditions set out in section 13.8 of the Bidder's Statement (**Conditions**) will be waived once Ramelius reaches a Relevant Interest in Musgrave of 50.1%.

Ramelius reserves the right to declare the Offer free of any or all Conditions regardless of achieving a 50.1% Relevant Interest in Musgrave.

Ramelius has extended the date for giving notice of the status of the Conditions to 25 August 2023. A formal notice in this regard will be lodged with ASX and served on Musgrave today.

1.4 Musgrave Board

The Offer has been unanimously recommended by the Musgrave Directors, in the absence of a Superior Proposal.

All of the Musgrave Directors have now accepted the Offer for all of their personal shareholdings.

1.5 Ramelius' current interest in Musgrave

As at the date of this Supplementary Bidder's Statement, Ramelius has received acceptances of the Offer in respect of 198,721,794 Musgrave Shares and accordingly has a Relevant Interest and voting power in Musgrave of 33.61%.

Remaining Musgrave Shareholders are urged to accept the Offer before the end of the Offer Period being 7.00pm (Sydney time) on 1 September 2023 (unless further extended or withdrawn). There is no certainty that Ramelius will further extend the Offer.

Please see section 11.3(c) of the Bidder's Statement for further information.

2. UPDATES TO THE BIDDER'S STATEMENT

2.1 Reasons to accept the Offer

(a) Synergies from integration of the Cue Gold Project with the existing Mt Magnet Processing Centre

The Bidder's Statement contains disclosure regarding estimated capital and development costs savings of between "\$90 to \$95 million"². This estimation is based on the capital cost estimate in Q1 2023 real terms from the "Cue Gold Project Stage 1 Prefeasibility Study" announced by Musgrave to the ASX on 17 April 2023,³ which attributes \$79.4 million to "Plant, IWLTsf and Infrastructure" and \$14.3 million to "camp facilities".

Given the proximity of Ramelius' existing Mt Magnet operations to the Cue Gold Project, as demonstrated in section 1.3 of the Bidder's Statement, Ramelius believes construction of such infrastructure (which is present at the existing Ramelius operations located at Mt Magnet) will not be required. Accordingly, this should reduce the upfront capital development costs for the Cue Gold Project by between \$90 to \$95 million in the event that Ramelius is responsible for development of the project.

² See pages vi, 9 (section 1.3) and 50 (section 9.2) of the Bidder's Statement.

³ See MGV ASX announcement titled "Stage 1 PFS Presentation – Cue Gold Project", page 16.

(b) **Reduced exposure to industry risk by integration of the Cue Gold Project with the existing Mt Magnet Processing Centre**

A key reason why Ramelius believes that Musgrave Shareholders should accept the Offer is due to Ramelius' operational experience and exploration and development expertise to integrate the Cue Gold Project into its Mt Magnet Processing Centre and thereby reduce the development and funding risks currently faced by Musgrave Shareholders during the development of the Cue Gold Project.⁴

As the proposed developer of the Cue Gold Project, Musgrave and its shareholders are currently subject to material industry-wide and company-specific risks and uncertainties as set out in section 1.4 of the Bidder's Statement.

By comparison, Ramelius, being an existing gold producer with an already operating mine proximate to the Cue Gold Project, considers that it is not as sensitive to the risks facing Musgrave in developing the Cue Gold Project for the following reasons:

- (i) it has existing operations proximate to the Cue Gold Project and accordingly does not need to construct such facilities but rather will use its existing facilities (refer section 2.1(a) above);
- (ii) it has an existing experienced workforce located at its Mt Magnet operations and accordingly is not attempting to establish such a workforce in the current labour market;
- (iii) the regulatory profile of using its existing Mt Magnet producing facility proximate to the Cue Gold Project (as opposed to trying to construct such a facility) is significantly reduced;
- (iv) Ramelius is an experienced gold producer and project developer (refer section 4.1 of the Bidder's Statement); and
- (v) Ramelius has significant cash resources (refer section 4.8 of the Bidder's Statement) and existing operations (refer section 4 of the Bidder's Statement) to act as a buffer should any of these risks eventuate in the context of Ramelius ownership of the Cue Gold Project.

2.2 Climate risk

Ramelius may be subject to various climate related risks that have the potential to impact upon Ramelius' operations and financial performance in the short, medium and long term.⁵ The risks include increasing fuel and electricity costs, capital expenditure on alternative power generation, reduced water availability, severe weather events, changes to legislation and regulation in response to climate change, reputational risk and technological and market changes.

Ramelius proactively manages the impact of climate related risks on the Company and the Ramelius Group by integrating climate related risks and energy considerations into strategic planning and decision making.

⁴ See section 1.4 of the Bidder's Statement for further information.

⁵ See page 68 of Ramelius' 2022 Annual Report announced to ASX on 21 October 2022.

2.3 Musgrave Shareholders interest in Ramelius

Following completion of the Offer, and assuming a 100% take up under the Offer and that all Musgrave Options are exercised, former Musgrave Shareholders will hold a maximum of 12.86% of Ramelius Shares.⁶

3. HOW TO ACCEPT THE OFFER

3.1 How to accept the Offer

How you accept the Offer depends on whether Your Musgrave Shares are held in Musgrave's Issuer Sponsored Holding or a CHESS Holding. This information is shown on your personalised Acceptance Form.

Please refer to section 13.3 of the Bidder's Statement and your personalised Acceptance Form (which accompanied the Bidder's Statement) for full details on how to accept the Offer.

You may only accept the Offer in respect of ALL of Your Musgrave Shares, not only some.

For Issuer Sponsored Holdings of Musgrave Shares (such holdings will be evidenced by an 'I' appearing next to your holder number on the Acceptance Form)

To accept the Offer, complete and sign the Acceptance Form in accordance with the instructions on it and return it to the address indicated on the form so that it is received before the Offer closes.

For CHESS Holdings of Musgrave Shares (such holdings will be evidenced by an 'X' appearing next to your holder number on the Acceptance Form)

To accept the Offer, either complete and sign the Acceptance Form in accordance with the instructions on it and return it to the address indicated on the form or instruct your Controlling Participant (normally your broker) to accept the Offer on your behalf before the Offer closes.

For Participants

If you are a Participant, acceptance of the Offer must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the Offer closes.

Your acceptance must be received by no later than 7.00pm (Sydney time) on 1 September 2023, unless the Offer is extended or withdrawn.

If you have any questions about how to accept the Offer please contact the 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).

3.2 If you have already accepted the Offer

If you have already accepted the Offer, no further action is required.

3.3 Where do I get my acceptance form?

If you would like to receive another copy or would prefer an email copy, please contact the 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 to 5.00pm (Sydney time).

3.4 When will I receive the Offer Consideration?

Generally, the Offer Consideration will be issued to you on or before the earlier of:

⁶ See section 9.6 of the Bidder's Statement for further information.

- (a) one month after the date of your acceptance or, if the Offer is subject to a defeating condition when you accept the Offer, within one month after the Offer becomes unconditional; and
- (b) 21 days after the end of the Offer Period.

Foreign Musgrave Shareholders and Unmarketable Parcel Shareholders will be provided with the net proceeds of sale to which they are entitled under the Offer at a different time.

For further information, including if you are a Foreign Musgrave Shareholder, please refer to sections 13.6 and 13.7 of the Bidder's Statement.

4. ADDITIONAL INFORMATION

4.1 Continuous disclosure

Pursuant to section 712 of the Corporations Act, this Supplementary Bidder's Statement incorporates by reference to all continuous disclosure notices given by Ramelius to the ASX since the date of the Bidder's Statement. A list of continuous disclosure notices given by Ramelius to the ASX since the date of the Bidder's Statement is set out in Annexure A.

4.2 No other material information

Except as set out in this Supplementary Bidder's Statement (including any annexures), there is no other information that:

- (a) is material to the making of a decision by a Musgrave Shareholder whether or not to accept the Offer;
- (b) is known to Bidder or Ramelius; and
- (c) has not previously been disclosed to Musgrave Shareholders.

For further details on the Offer, please refer to the Bidder's Statement (as supplemented).

5. NEXT STEPS

Ramelius encourages Musgrave Shareholders to accept the Offer as soon as possible. The Offer will remain open for acceptance until 7.00pm (Sydney time) on 1 September 2023 (unless further extended under the Corporations Act).

Full details on how to accept the Offer are contained in section 3 of this Supplementary Bidder's Statement.

If you have any questions in relation to the Offer, please contact the Offer Information Line on 1300 034 131 (within Australia) or +61 3 9415 4676 (from outside of Australia), Monday to Friday between 8.30am to 5.00pm (Sydney time).

APPROVAL OF SUPPLEMENTARY BIDDER'S STATEMENT

This Supplementary Bidder's Statement has been approved by a unanimous resolution of the directors of Bidder.

Dated: 11 August 2023

Signed for and on behalf of Mt Magnet Gold Pty Ltd by:



Bob Vassie

Independent Non-Executive Chair – Ramelius Resources Limited

Independent Non-Executive Director – Mt Magnet Gold Pty Ltd

**Annexure A - Ramelius ASX announcements since lodgement of Bidder's Statement
on 11 July 2023**

The following table lists announcements made to the ASX by Ramelius since the lodgement of the Bidder's Statement on 11 July 2023.

Date	
11 August 2023	Change of substantial holding from RMS
10 August 2023	Change of substantial holding from RMS
8 August 2023	Change of substantial holding from RMS
7 August 2023	Diggers and Dealers Presentation
7 August 2023	Change of substantial holding from RMS
3 August 2023	Change of substantial holding from RMS
1 August 2023	Change of substantial holding from RMS
31 July 2023	Change of substantial holding from RMS
28 July 2023	Change of substantial holding from RMS
27 July 2023	Correction to table 4 in June 2023 Quarterly Activities Report
27 July 2023	June 2023 Quarterly Report, FY24 Guidance and FY23 Production
26 July 2023	Musgrave: Continue to recommend accepting Ramelius Offer
26 July 2023	Change of substantial holding from RMS
24 July 2023	June 2023 Quarterly Conference Call details
20 July 2023	Noosa Mining Conference Presentation
19 July 2023	Change of substantial holding from RMS
17 July 2023	Ramelius and Musgrave Completion of despatch of bidder's statement
17 July 2023	Typographical error in Musgrave's target's statement
17 July 2023	Musgrave: First Supplementary Target's Statement
13 July 2023	Musgrave: Target's Statement
13 July 2023	Proposed issue of securities
13 July 2023	Ramelius and Musgrave copy of bidder's statement
13 July 2023	Ramelius and Musgrave start of despatch of bidder's statement
11 July 2023	Bidder's Statement