ASX announcement

10 September 2018

Takeover Offer by Ramelius Resources – <u>TAKE NO ACTION</u>

Explaurum Limited (ASX: EXU) (**Explaurum**) notes the announcement by Ramelius Resources Limited of its intention to make an all scrip takeover offer for ordinary shares in Explaurum of 1 Ramelius Share for every 4 Explaurum shares (**Ramelius Offer**).

The all scrip Ramelius Offer implies a price of Explaurum shares of approximately 12.3 cents per share (based on a 30 day VWAP of Ramelius shares as at 7 September 2018) and is subject to a number of conditions.

The announcement states that a bidder's statement will be sent to Explaurum shareholders by late September.

The Explaurum Board has the following concerns about the Ramelius Offer:

- at Ramelius' request, the Explaurum Board met with senior Ramelius executives last week to better understand Ramelius' proposal and to explore the potential benefits of a merger for Explaurum and Ramelius shareholders. Ramelius declined to provide meaningful information and the meeting participants agreed that those discussions would continue. Accordingly, Explaurum is surprised and disappointed that Ramelius has proceeded with its announcement before completing any meaningful engagement;

- the proposed consideration is inadequate and undervalues Explaurum's underlying assets and future prospects;

- the timing of the offer appears opportunistically timed to take advantage of the current share price before Explaurum completes its bankable feasibility study and provides that information to the market; and

- the proposed scrip consideration does not provide the same certainty of value or risk profile as cash consideration and would careful diligence and valuation.

Explaurum shareholders are advised to **<u>TAKE NO ACTION</u>** in relation to the Ramelius Offer or any correspondence received in relation to it until they have received the formal recommendation of the Explaurum directors and reasons for that recommendation which will be contained in the Target's Statement.

ENDS

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