



ACN 001 717 540  
ASX code: RMS

28 February 2020

## TAKEOVER BID FOR SPECTRUM METALS LIMITED – COMMENCEMENT OF DESPATCH OF BIDDER'S STATEMENT

28 February 2020

### ISSUED CAPITAL

Ordinary Shares: 658M

### DIRECTORS

**NON-EXECUTIVE CHAIRMAN:**

Kevin Lines

**MANAGING DIRECTOR:**

Mark Zeptner

**NON-EXECUTIVE DIRECTORS:**

Michael Bohm

David Southam

Natalia Streltsova

**COMPANY SECRETARY:**

Richard Jones

The Manager  
Market Announcements Office  
ASX Limited  
Central Park  
Level 152-158 St Georges Terrace  
Perth WA 6000

Dear Sir/Madam

Ramelius Resources Limited, through its wholly owned subsidiary Mt Magnet Gold Pty Ltd (ABN 66 008 669 556) (**Mt Magnet**), has today commenced sending its bidder's statement dated 25 February 2020 (**Bidder's Statement**), which contains Mt Magnet's offer dated 28 February 2020 to acquire all of the shares in Spectrum Metals Limited (ABN 94 115 770 226).

A copy of the Bidder's Statement being sent to offerees is attached.

This ASX announcement was authorised for release by Mark Zeptner, the Managing Director of Ramelius Resources Limited.

Yours faithfully

Richard Jones  
Company Secretary  
Ramelius Resources Limited  
Mt Magnet Gold Pty Ltd

[www.rameliusresources.com.au](http://www.rameliusresources.com.au)  
[ramelius@rameliusresources.com.au](mailto:ramelius@rameliusresources.com.au)

RAMELIUS RESOURCES LIMITED

**Registered Office**

Level 1, 130 Royal Street  
East Perth, WA 6004  
Tel +61 8 9202 1127  
PO Box 6070  
East Perth, WA 6892

# Bidder's Statement

## Ramelius Resources Limited

ABN 51 001 717 540

through its wholly-owned subsidiary **Mt Magnet Gold Pty Ltd**

ABN 66 008 669 556

Offer to purchase all of Your Shares in

## Spectrum Metals Limited

ABN 94 115 770 226

in exchange for 1 Ramelius Share for every 10 of Your Spectrum Shares plus \$0.017 cash for each of Your Spectrum Shares

Spectrum's Directors unanimously recommend that you

**ACCEPT**

this offer in the absence of a Superior Proposal

**This is an important document and requires your immediate attention**

If you are in any doubt about how to deal with this document, you should contact your broker, financial adviser or legal adviser immediately. The Offer is dated

28 February 2020 and will close at 5pm (WST) on

30 March 2020, unless extended.

If you have any questions about this Bidder's Statement, please call the

Offer Information Line on 1300 352 261 (within Australia) or

+61 3 9415 4301 (from outside of Australia),

Monday to Friday.

Legal Advisor

Financial Advisor



25 February 2020

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**Date of Offer**

28 February 2020

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**Offer closes (unless extended or withdrawn)**

5 pm (WST) on 30 March 2020

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## **Key Contacts**

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### **Ramelius share registrar for the Offer**

Computershare Investor Services Pty Limited

GPO Box 1326

Adelaide, South Australia, 5000

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### **Offer Information Line\***

1300 352 261 (within Australia) or

+61 3 9415 4301 (from outside of Australia)

Monday to Friday between 8.30am to 5.30pm (AEDT)

\*Calls to these numbers may be recorded.

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## **Important Notices**

### **Nature of this document**

This Bidder's Statement is issued by Mt Magnet Gold Pty Ltd ABN 66 008 669 556 (**Bidder**), a wholly-owned Subsidiary of Ramelius Resources Limited ABN 51 001 717 540 (**Ramelius**), under Part 6.5 of the *Corporations Act 2001* (Cth) and sets out certain disclosures required by the Corporations Act together with the terms of the Offer under which it offers to acquire your shares in Spectrum Metals Limited ABN 94 115 770 226 (**Spectrum**).

A copy of this Bidder's Statement was lodged with ASIC and given to ASX on 25 February 2020. Neither ASIC nor its officers takes any responsibility for the content of this Bidder's Statement.

### **No investment advice**

In preparing this Bidder's Statement, the individual objectives, financial situation or needs of individual Spectrum Shareholders have not been taken into account. The information and recommendations contained in this Bidder's Statement do not constitute, and should not be taken as, financial product advice. Accordingly, before making a decision whether or not to accept the Offer, you may wish to consult with your financial, legal, taxation or other professional adviser.

This Bidder's Statement is important and requires your immediate attention. It should be read in its entirety before making a decision on whether or not to accept the Offer. In particular, it is important that you consider the key risks associated with the Offer, as set out in section 11 of this Bidder's Statement.

### **Disclaimer as to forward looking statements and information**

Some of the statements appearing in this Bidder's Statement may be in the nature of forward looking statements. Forward looking statements or statements of intent in relation to future events in this Bidder's Statement should not be taken to be forecasts or predictions that those events will occur. All forward looking statements in this Bidder's Statement reflect views only as at the date of this Bidder's Statement, and generally may be identified by the use of forward looking words such as "believe", "aim", "expect", "anticipate", "intending", "foreseeing", "likely", "should", "planned", "may", "estimate", "potential", or other similar words. Similarly, statements that describe the objectives, plans, goals or expectations of Ramelius or any member of the Ramelius Group may be forward looking statements. You should be aware that such statements are only opinions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Spectrum and Ramelius and the members of the Spectrum Group and the Ramelius Group operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Any such statements are also affected by a range of variables which include, but are not limited to, the price performance of Ramelius Shares and Spectrum Shares, commodity price fluctuations, input price fluctuations, currency fluctuations, actual demand, geotechnical factors, mineral resource and ore reserve estimates, operating results, governmental and regulatory factors, economic, financial and political conditions in various countries, approvals and cost estimates. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected. None of Ramelius or its Subsidiaries (including Bidder) or their respective officers, directors, employees or advisers, any persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement.

### **Responsibility for information**

Except as outlined below, the information contained in this Bidder's Statement has been prepared by Bidder and is its responsibility alone.

### **Disclaimer as to Spectrum and Combined Entity information**

The information on Spectrum, Spectrum's securities and the Spectrum Group contained in this Bidder's Statement should not be considered to be comprehensive and has been prepared using publicly available information and information made available to Ramelius by Spectrum.

The information on Spectrum and the assets and liabilities, financial position and performance, profits and losses, Spectrum's securities and the Spectrum Group has not been independently verified by Ramelius or the Bidder. Accordingly, Ramelius and Bidder do not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

The information on the Combined Entity contained in this Bidder's Statement, to the extent that it incorporates or reflects information on Spectrum and the Spectrum Group, has also been prepared using publicly available information and information made available by Spectrum. Accordingly, information in relation to the Combined Entity is subject to the foregoing disclaimer to that extent.

Further information relating to Spectrum's business may be included in Spectrum's Target's Statement.

### **Spectrum Shareholders outside Australia**

This Bidder's Statement has been prepared having regard to Australian disclosure requirements. These requirements may be different from those in other jurisdictions.

Restrictions in jurisdictions outside Australia may make it impractical or unlawful for Ramelius Shares to be issued under the Takeover Bid to, or received under the Takeover Bid by, Spectrum Shareholders in those jurisdictions. Spectrum Shareholders with registered addresses outside Australia and New Zealand should refer to sections 12.15 and 13.7 of this Bidder's Statement for more information.

This Bidder's Statement does not constitute an offer to Spectrum Shareholders or a solicitation of an offer from Spectrum Shareholders in any jurisdiction in which to do so would be illegal.

No action has been taken to register, qualify or to otherwise permit the offering of Ramelius Shares outside Australia.

This Bidder's Statement is not a New Zealand product disclosure statement or other similar offering or disclosure document under New Zealand law and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the *Financial Markets Conduct Act 2013* or any other relevant New Zealand law. In making the Offer available to Spectrum Shareholders with registered addresses in New Zealand, Bidder is relying on an exemption contained in the *New Zealand Securities Act (Overseas Companies) Exemption Notice 2013* in relation to prospectus and investment statement requirements in New Zealand. This Bidder's Statement may not contain all the information that a bidder's statement or prospectus under New Zealand law is required to contain.

### **Unmarketable Parcels**

If the total number of Ramelius Shares you are entitled to receive as consideration under the Offer is an Unmarketable Parcel, you will receive a cash amount for your Ramelius Shares calculated in accordance with section 13.7 of this Bidder's Statement.

### **References to Bidder and Ramelius**

Ramelius, through Bidder (a wholly-owned subsidiary of Ramelius), is making the Offer for the Spectrum Shares. While this Bidder's Statement makes references to both companies in relation to the Offer, Ramelius is the parent company of Bidder and the Ramelius Group. In accordance with the Bid Implementation Agreement, Ramelius has guaranteed the performance of Bidder with respect to the Offer. For further information please refer to sections 12.1 and 12.4.

### **Implied value of Offer**

As you are being offered Ramelius Shares as consideration for your Spectrum Shares, the implied value of the Offer will vary with the price at which Ramelius Shares trade on the ASX. Unless otherwise noted, premiums presented in this Bidder's Statement are based on a price per Ramelius Share of \$1.33 being the 1-day VWAP of Ramelius Shares ending on the trading day before the Offer was announced and the Offer Consideration being 1 Ramelius Share for every 10 of Spectrum Shares plus \$0.017 cash for each of Spectrum Share. Further information about the recent trading prices of Ramelius Shares is set out in section 5.2.

### **Non-IFRS information**

This document references certain terms commonly used in the mining industry that are not prescribed in the International Financial Reporting Standards (**IFRS**). These terms are "All-In Sustaining Cost" (**AISC**) and "Average realised gold price per ounce".

AISC represents the full cost of producing and selling an ounce of gold based on the current level of gold production. It is based on cash operating costs and adjusts for items relevant to sustaining production. AISC is calculated with reference to the World Gold Council's Guidance Note on Non-GAAP Metrics: All-In Sustaining Costs and All-In Costs (updated 2018). Please refer to Ramelius' most recent quarterly report for example calculations of AISC.

The average realised gold price per ounce represents the average price of an ounce of gold sold and is calculated by dividing the gold sales revenue received in a given period by the gold ounces sold in the same given period.

### **Websites**

Ramelius maintains an internet site at [www.rameliusresources.com.au](http://www.rameliusresources.com.au). Information contained in, or otherwise accessible through, this internet site is not a part of this Bidder's Statement. All references in this Bidder's Statement to this internet site are inactive textual references to this internet site and are for your information only.

### **Privacy**

Bidder has collected your information from the Spectrum register of shareholders for the purpose of making this Offer and, if accepted, administering a record of your acceptance of the Offer for your holding of Spectrum Shares. The type of information Bidder has collected about you includes your name, contact details and information on your shareholding in Spectrum. Without this information, Bidder would be hindered in its ability to issue this Bidder's Statement. The Corporations Act requires the name and address of shareholders to be held in a public register. Personal information of the type described above may be disclosed on a confidential basis to Bidder's Related Bodies Corporate and external service providers (such as print and mail service providers) and may be required to be disclosed to regulators such as ASIC and ASX. The registered address of Ramelius and Bidder is Level 1, 130 Royal Street, East Perth, Western Australia WA 6004.

### **Defined terms and abbreviations**

A number of terms and abbreviations used in this Bidder's Statement have defined meanings. These terms and abbreviations are capitalised and have the meanings given to them in section 15 of this Bidder's Statement. In addition, unless the contrary

intention appears, or the context requires otherwise, words and phrases used in this Bidder's Statement that are defined in the Corporations Act have the same meaning and interpretation as in the Corporations Act.

### **Charts, maps and diagrams**

Any diagrams, charts, maps, graphs or tables appearing in this Bidder's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available at the date immediately prior to the date of this Bidder's Statement.

### **Effect of rounding**

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement are subject to the effect of rounding. Accordingly, their actual calculations may differ from the calculations set out in this Bidder's Statement.

### **Questions about the Offer**

If you have any questions about the Offer please contact the Offer Information Line on 1300 352 261 (within Australia) or +61 3 9415 4301 (from outside of Australia), Monday to Friday between 8.30am to 5.30pm (AEDT).

## Why you should **ACCEPT** the Offer

1	Spectrum Board unanimously recommend the Offer and intend to accept the Offer for all of their shares (both in the absence of a Superior Proposal).
2	No Superior Proposal has emerged.
3	The Offer price represents a significant premium to recent trading prices of Spectrum Shares.
4	You will receive shares in Ramelius, a profitable, financially secure ASX300 company with very good trading liquidity that has a stable platform of multiple established gold mines in Western Australia.
5	Cash and scrip offer provides ongoing exposure to exploration and development at the Penny West Gold Project as a Ramelius Shareholder.
6	Ramelius has the financial capacity and operational expertise to develop the Penny West Gold Project in an optimal manner, maximising the value of the project.
7	The Offer reduces risks associated with remaining a Spectrum Shareholder, including: <ul style="list-style-type: none"><li>• dilutive capital raisings for ongoing working capital requirements; and</li><li>• uncertainty regarding eventual economic development and funding of the Penny West Gold Project.</li></ul>
8	The conditions of the Offer are limited, including 50.1% minimum acceptance by Spectrum Shareholders.
9	Removes possible minority shareholder risks if you do not accept the Offer.

## **ACCEPT THE OFFER**

For more information on the reasons why you should accept the Offer, please refer to section 1 of this Bidder's Statement. For information on how to accept the Offer, please refer to sections 2 and 13.3 of this Bidder's Statement.

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## CHAIRMAN'S LETTER

Dear Spectrum Shareholder

On behalf of the Board and management of Ramelius Resources Limited, I am pleased to present you with this compelling Offer for your shares in Spectrum Metals Limited.

The Offer has been unanimously recommended by the Spectrum Board and each Director intends to accept the Offer in respect to all shares they own or control, in the absence of a Superior Proposal.

If you accept the Offer you will receive 1 Ramelius share for every 10 Spectrum Shares you hold and cash consideration of \$0.017 per Spectrum Share. This Offer, which values Spectrum at \$231 Million or \$0.15 per Spectrum Share, represents a 52% premium to the price on the last trading day prior to the Offer announcement and a 70% premium to the 30-Day Volume Weighted Average Price (**VWAP**).

As owner and operator of the nearby Mt Magnet gold mine, Ramelius has been aware of Spectrum's high-grade gold project and the merits of combining both operations to avoid expensive duplication of infrastructure. Following a thorough review process, the Board formed an opinion that a merger of the two companies would provide mutual benefits to shareholders in both companies – a view that is shared by the Directors of Spectrum. The close proximity of the Mt Magnet processing facility and the operating experience of the Ramelius team will enable the expeditious development of the Penny West Gold Project without the need for large sums of capital expenditure, benefiting shareholders of the combined entity.

Our Offer has been structured so that you receive certainty of a premium to the current Spectrum share price and still retain exposure to ongoing and fast-tracked exploration and development activities at the Penny West Gold Project.

By accepting the Offer, you will join a profitable, financially secure company with significant annual production, excellent cashflows, asset diversification and very attractive growth prospects. Ramelius recently posted its fifth consecutive profitable financial year with a 2019 after-tax profit of \$21.8 million and expects to produce 205,000-225,000oz of gold in FY2020 from its Mt Magnet, Vivien, Edna May and Marda gold mines. Furthermore, our financial results recently released for the 6 months to 31 December 2019 saw Ramelius produce a half year after tax profit of \$20.5 million.

The increased market capitalisation of Ramelius, following the acquisition, is likely to increase the attractiveness of the Company to domestic and foreign institutional investors.

The Offer is subject to certain conditions including a 50.1% minimum acceptance threshold, the gold price not falling below \$2,000 per ounce for three consecutive days between the Announcement Date and the end of the Offer Period (each inclusive)<sup>1</sup> and that Spectrum's assets are maintained in their current form. A full list of bid conditions is provided in section 13.8 of this Bidder's Statement.

Spectrum's Directors believe this Offer is in the best interests of all Spectrum Shareholders to unlock the full value of the Penny West Gold Project. I urge you to accept the Offer as soon as possible and become a part of a high quality and rapidly growing Australian gold miner.

Yours sincerely,

**Mr Kevin Lines**  
**Independent Non-Executive Chairman – Ramelius Resources Limited**  
**Independent Non-Executive Director – Mount Magnet Gold Pty Ltd**

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<sup>1</sup> As announced on 10 February 2020, Ramelius will free the Offer from the gold price condition if the Offer is extended. For further information please refer to section 13.10 of this Bidder's Statement.

## 1. WHY YOU SHOULD ACCEPT THE OFFER

### 1.1 Spectrum Board unanimously recommend the Offer and intend to accept the Offer for all of their shares (both in the absence of a Superior Proposal)

The Spectrum Board have unanimously recommended that Spectrum Shareholders accept the Offer, in the absence of a Superior Proposal.

Additionally, Spectrum Directors have confirmed they will accept or procure the acceptance of the Offer in respect of the Spectrum Shares they own or control, in the absence of a Superior Proposal.

The Spectrum Directors own or control 40,467,271 Spectrum Shares representing 2.88% of Spectrum Shares outstanding at the date of this Bidder's Statement. The Spectrum Board also own a total of 76,500,000 unlisted options with various maturity dates and exercise prices (refer to Section 7.5 for more information).

### 1.2 No Superior Proposal has emerged

No Superior Proposal has emerged since the date of the Offer was announced on 10 February 2020.

Although many factors affect the price of any given security, if the Offer is not successful or no higher bid for Spectrum emerges, the Spectrum share price may fall below the implied Offer value and trade back at those levels seen prior to the Announcement Date.

The trading price of Spectrum Shares on the ASX for the last 6 months prior to the Announcement Date compared to the Offer price on the Announcement Date is shown below.

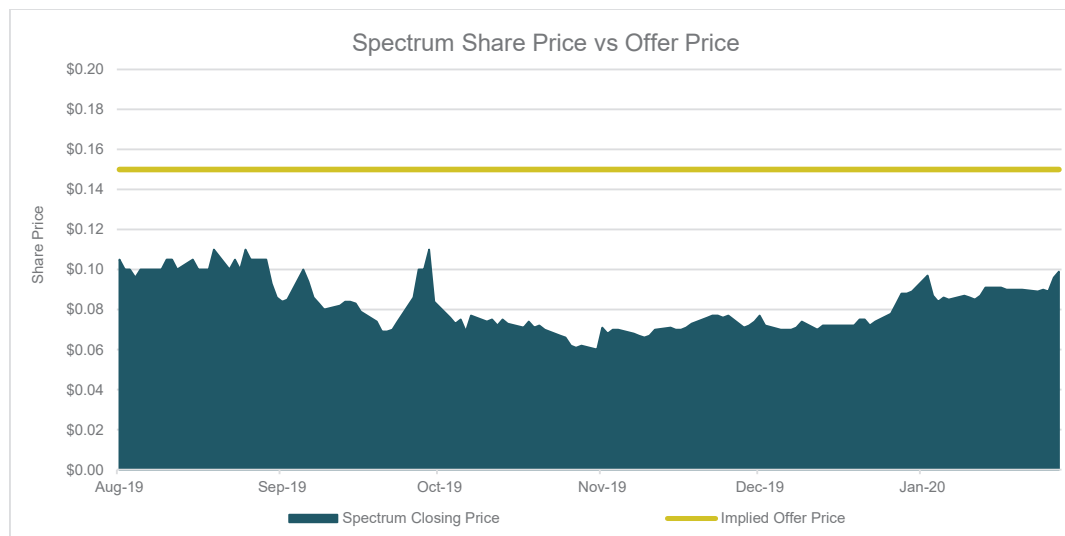


Figure 1.2.1: Spectrum six month share price performance compared to Ramelius Offer Price

### 1.3 The Offer price represents a significant premium to recent trading prices of Spectrum Shares

The Offer provides Spectrum Shareholders with the ability to retain exposure to the Penny West Gold Project while capturing a significant premium for their shareholding and becoming part of a high quality and rapidly growing Australian gold producer at a consideration of 1 Ramelius Share for every 10 Spectrum Shares and \$0.017 cash for every Spectrum Share.

The significant premium represents:

- 52% to Spectrum's closing share price of \$0.0990 on 7 February 2020, being the last day prior to the Announcement Date;
- 61% to the 10-day VWAP of Spectrum Shares of \$0.0931, being trading up to and including 7 February 2020;
- 70% to the 30-day VWAP of Spectrum Shares of \$0.0882, being trading up to and including 7 February 2020; and

- 84% to the 60-day VWAP of Spectrum Shares of \$0.0817, being trading up to and including 7 February 2020.



Figure 1.3.1: Offer Price comparison to Spectrum Volume Weighted Average Pricing

The Offer price of \$0.15 per Spectrum Share has been calculated on the 1-day VWAP of Ramelius Shares traded on 7 February 2020 (\$1.33 per share).

Please refer to “Implied Value of Offer” within the “Important Notices” section for further information in this regard.

**1.4 You will receive shares in Ramelius, a profitable, financially secure ASX300 company with very good trading liquidity that has a stable platform of multiple established gold mines in Western Australia**

Ramelius is an ASX300 company with a market capitalisation of \$958 million as at 24 February 2020. Ramelius’ shares are traded under the code “RMS” with total average trading liquidity of over 5 million shares per day over the last 12 months.

The chart below illustrates the daily volume and the share price trend over the past 12 months prior to the Announcement Date. Ramelius has benefited from a growing production profile, a higher gold price, an excellent reputation for meeting market guidance and a generally positive sentiment for gold producers which has seen the share price increase from \$0.58 per share (8 February 2019) to \$1.325 per share (7 February 2020), an increase of 128% in just 12 months.

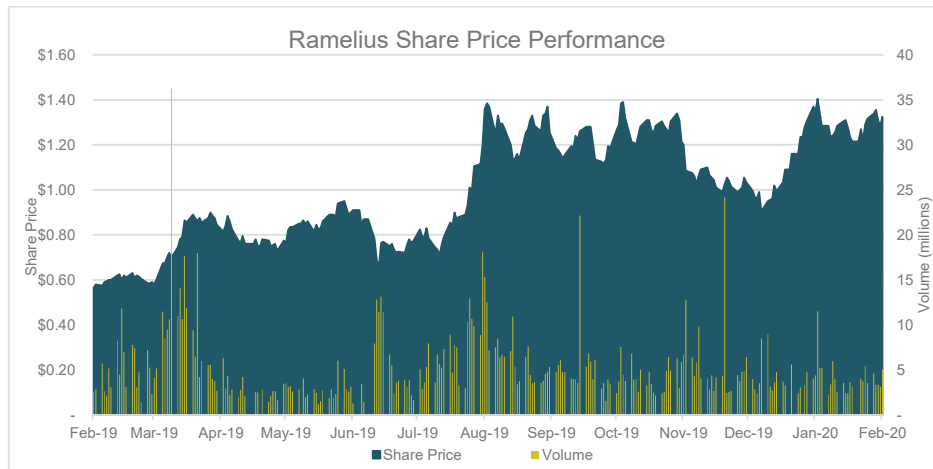


Figure 1.4.1: Ramelius 12 month share price performance

If the Offer is successful, and all Spectrum Shares are acquired, Spectrum Shareholders will have a Relevant Interest of up to 18.3%<sup>2</sup> of Ramelius Shares.

#### *Operations & Financial Overview*

Ramelius has two production centres, one at Mt Magnet and one at Edna May. Within each production centre there are numerous sources of ore that feed each processing facility. This natural diversification enables Ramelius to maintain a reliable production profile across the Ramelius Group and to generate significant financial returns for the capital that has been invested. Additional information on Ramelius and its operating activities are provided in Section 4 of this Bidder's Statement.

In FY2019, Ramelius produced 196,679 ounces of fine gold at an All in Sustaining Cost (AISC)<sup>3</sup> of \$1,192 per ounce<sup>4</sup>. As at 30 June 2019, Ramelius had \$106.8 million in cash and gold bullion, with no debt. Ramelius posted an after-tax profit for FY2019 of \$21.8 million, which was the fifth consecutive year of profitable operations.

In addition, and in line with its current dividend policy, Ramelius declared and paid a fully-franked dividend of \$0.01 per Ramelius Share in 2019. For further information on Ramelius' current dividend policy please refer to section 5.3 of this Bidder's Statement. Spectrum Shareholders holding Ramelius Shares at any future dividend record date would be eligible to receive any associated future dividends paid by Ramelius.

Ramelius has recently released its half year results for the 6 months ending 31 December 2019 which show a half year profit after tax of \$20.5 million. This is a 329% increase on the prior corresponding period. This was achieved after total gold production of 92,084 ounces of fine gold at an AISC of \$1,240 per ounce.

Ramelius forecasts FY2020 to be another very strong year with gold production of approximately 205,000 - 225,000 ounces at an AISC of \$1,225 – \$1,325 per ounce.<sup>5</sup>

As at the end of December 2019 Ramelius had cash and gold on hand of \$87.7 million. Furthermore, Ramelius recently executed a \$35.0 million Syndicated Finance Agreement which further strengthens Ramelius' balance sheet and financial capacity.

Additional information on the half year results are contained in Section 4.8 of this Bidders Statement.

### **1.5 Cash and scrip offer provides ongoing exposure to exploration and development at the Penny West Gold Project as a Ramelius shareholder**

The Offer provides Spectrum Shareholders with consideration that comprises both a cash component and shares in Ramelius. Ramelius' assets comprise a balanced portfolio of gold producing assets such as those at the Mt Magnet and Edna May processing centres but also the significant development assets such as Marda and Tampia as well as a large prospective exploration land position.

The shares in Ramelius will not only provide Spectrum Shareholders exposure to the existing Ramelius assets, but it will ensure that Spectrum Shareholders accepting the offer remain exposed to the Penny West Gold Project through being a shareholder of the enlarged Combined Entity.

### **1.6 Ramelius has the financial capacity and operational expertise to develop the Penny West Gold Project in an optimal manner, maximising the value of the project**

The Ramelius Board and management team have a significant depth of experience in the gold mining sector including all aspects of financing, exploration, development and operations. This team has established a strong track record of delivery on its core growth objectives and built Ramelius into a high quality and rapidly growing Australian gold producer.

Subject to attaining control of Spectrum, the Board of Ramelius intends to undertake a comprehensive Review which will be an important step in informing and determining Ramelius' approach to its investment in Spectrum.

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<sup>2</sup> This figure is on a fully diluted basis and includes the conversion of all Spectrum Options.

<sup>3</sup> Please refer to "Non-IFRS information" within the Important Notices section for information regarding AISC.

<sup>4</sup> As reported in Ramelius' annual report for the financial year ending 30 June 2019, released to ASX on 21 October 2019.

<sup>5</sup> As reported in Ramelius' quarterly activities report for the quarter ending 31 December 2019, released to ASX on 30 January 2020.

Given the location of the Ramelius owned Mt Magnet processing facility and associated infrastructure (see map below), the most likely outcome of the Review is confirming whether the viability of trucking the ore from the Penny West Gold Project to Mt Magnet is financially sound.

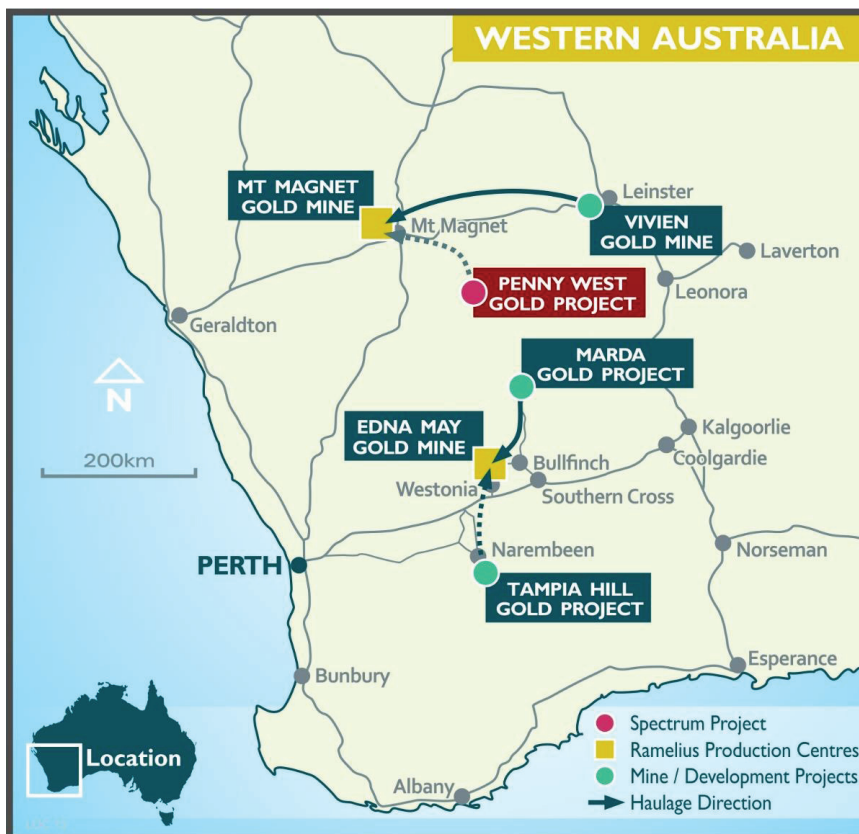


Figure 1.4.2: Ramelius' operations & Penny West Gold Project locations

This option would eliminate the need to incur significant capital expenditure on a new plant and utilise the infrastructure already in place at Mt Magnet. This would also likely mean the Penny West Gold Project will be mined and will generate cashflow earlier than Spectrum's current plans.

Whilst there will be additional costs to truck the ore to Mt Magnet, the significant reduction in capital and the earlier revenue profile are likely to generate a financial return on capital that exceeds other alternatives.

Further, there would be savings in general and administrative costs as there would be no need to duplicate these sorts of overheads.

Such savings will be determined as part of the Review and will not be capable of quantification until the completion of the Review. The ability of Ramelius to undertake and implement the results of the Review will be influenced by the level of acceptances under the Offer. Please see section 8 of this Bidder's Statement for further information with respect to Ramelius' intentions and the Review.

**1.7 The Offer reduces risks associated with remaining a Spectrum Shareholder, including:**

- **dilutive capital raisings for ongoing working capital requirements; and**
- **uncertainty regarding eventual economic development and funding of the Penny West Gold Project**

Ramelius believes the Offer provides compelling value for Spectrum Shareholders and reduces risks associated with a continuing investment in Spectrum.

If you accept the Offer and Ramelius gains control of Spectrum, then you will no longer be exposed to material external and company specific risks and uncertainties which could adversely affect the future trading price of Spectrum Shares.

In contrast, if you do not accept the Offer you will remain exposed to the risks and uncertainties associated with an investment in Spectrum, including:

(a) *Dilutive capital raisings for ongoing working capital requirements*

As a junior exploration company, Spectrum is likely to require additional equity to explore and to fund working capital requirements. These funds will typically be raised at a share price that is a discount to market, thereby diluting the underlying value per Spectrum Share.

Accepting this Offer will facilitate Spectrum Shareholders access to the financial strength of Ramelius, eliminating the need for these potentially value eroding equity raisings.

(b) *Uncertainty regarding eventual economic development and funding of the Penny West Gold Project*

There are numerous challenges facing single asset companies in the current capital markets climate, such as volatile equity markets and a debt market that remains cautious of the risk associated with companies that rely on a single asset for revenue. Merging with a larger company like Ramelius that maintains a strong balance sheet and has established finance facilities reduces the risks of being unable to fund the ultimate development of the Penny West Gold Project significantly.

## **1.8 The conditions of the Offer are limited, including 50.1% minimum acceptance by Spectrum Shareholders**

The Offer is subject to a number of conditions which are set out in full in section 13.8 of this Bidder's Statement. While most of these conditions are customary for off-market takeover bids,<sup>6</sup> the Offer is subject to certain commercial conditions being:

- (a) a minimum acceptance condition of 50.1%; and
- (b) the spot gold price as quoted by Bloomberg does not fall below \$2,000 per ounce at any time during a day for three consecutive days between Announcement Date and the end of the Offer Period (each inclusive).<sup>7</sup>

## **1.9 Removes possible minority shareholder risks if you do not accept the Offer**

If you do not accept the Offer and Ramelius acquires a majority of Spectrum Shares but does not become entitled to compulsorily acquire your Spectrum Shares, you will become a minority shareholder in Spectrum with reduced influence in the running of the business.

In this scenario, decisions made in respect of the business of Spectrum, under the control of Ramelius, may impact those Spectrum Shareholders who do not accept the Offer.

Furthermore, Ramelius' controlling position in Spectrum may affect the liquidity of the minority shareholders in Spectrum. This may make it more difficult for minority shareholders to sell their Spectrum Shares at an attractive price.

Please see section 8 of this Bidder's Statement for further information regarding Ramelius' intention regarding Spectrum.

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<sup>6</sup> For detail regarding the Bid Conditions, see section 13.8 of this Bidder's Statement.

<sup>7</sup> As announced on 10 February 2020, Ramelius will free the Offer from this condition if the Offer is extended. For further information please refer to section 13.10 of this Bidder's Statement.

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## 2. HOW TO ACCEPT THE OFFER

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

You may only accept this Offer in respect of ALL of Your Spectrum Shares, not only some.

How you accept this Offer depends on whether Your Spectrum Shares are held in an Issuer Sponsored Holding or a CHESS Holding. This information is shown on your personalised Acceptance Form.

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

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

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

To accept the Offer, either complete and sign the enclosed 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 this 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 5.00 pm (WST) on 30 March 2020, 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 352 261 (within Australia) or +61 3 9415 4301 (from outside of Australia), Monday to Friday between 8.30am to 5.30pm (AEDT).

### 3. SUMMARY OF THE OFFER AND FREQUENTLY ASKED QUESTIONS

The information in this section 3 is a summary of the Offer only and is qualified by the detailed information contained in the rest of this Bidder's Statement. You should read this Bidder's Statement and Spectrum's Target Statement in full before deciding whether or not to accept the Offer for your Spectrum Shares. If you are in any doubt as to how to deal with this document, please consult your financial, legal, taxation or other professional adviser.

The terms and conditions of the Offer are contained in section 13 of this Bidder's Statement.

Question	Answer	Further Information
<b>What is the Bidder's Statement?</b>	This Bidder's Statement relates to the Offer to acquire ALL of Your Spectrum Shares, not only some, and sets out the terms and conditions of the Offer, information relating to the Offer and the Offer Consideration you will receive if you accept the Offer (subject to satisfaction or waiver of the conditions of the Offer).	Section 13 of the Bidder's Statement
<b>Who are Ramelius and Bidder?</b>	<p>Ramelius is making this Offer through Bidder, its wholly-owned subsidiary, Mount Magnet Gold Pty Ltd.</p> <p>Ramelius is an ASX listed entity involved in the exploration, development and production of gold in Western Australia. In FY2019 Ramelius produced 196,679 ounces of fine gold at an AISC<sup>8</sup> of \$1,192 per ounce and had \$106.8 million in cash and gold bullion, with no debt. Ramelius posted an after-tax profit for FY2019 of \$21.8 million and an after-tax profit of \$20.5 million for the 6 months ending 31 December 2019.</p> <p>Under the Bid Implementation Agreement, Ramelius has agreed to guarantee that Bidder performs and observes all of its obligations under the Bid Implementation Agreement.</p>	Sections 4, 12.1 and 12.4
<b>What is the Offer?</b>	<p>Bidder is offering to buy all of the Spectrum Shares, including any Spectrum Shares that are issued during the Offer Period whether due to the conversion of Spectrum Options or otherwise, on the terms set out in this Bidder's Statement.</p> <p>You may only accept this Offer in respect of <u>ALL</u> of Your Spectrum Shares, not only some.</p>	Section 13.1
<b>What will I receive if I accept the Offer?</b>	<p>If you accept the Offer, subject to the satisfaction or waiver of the conditions to the Offer, you will receive 1 Ramelius Share for every 10 of Your Spectrum Shares plus \$0.017 cash for each of Your Spectrum Shares.</p> <p>If the calculation of the number of Ramelius Shares you are to receive as part of the Offer Consideration results in an entitlement to a fraction of a Ramelius Share, that fraction will be rounded up to the next whole number of Ramelius Shares.</p> <p>If you are a Foreign Spectrum Shareholder or an Unmarketable Parcel Shareholder, you will not be provided Ramelius Shares. Instead you will be paid the net proceeds of the sale of the Ramelius Shares you would have been entitled to.</p>	Sections 12.15 and 13

<sup>8</sup> Please refer to "Non-IFRS information" within the Important Notices section for information regarding AISC.



Question	Answer	Further Information
<p><b>What is the value of the Offer Consideration?</b></p>	<p>The Offer Consideration is comprised of 1 Ramelius Share for every 10 of Your Spectrum Shares plus \$0.017 cash for each of Your Spectrum Shares. The aggregate value of the Offer Consideration is approximately \$0.15 per Spectrum Share, based on the 1-day VWAP of Ramelius Shares as at 7 February 2020 of \$1.33, the day prior to the Announcement Date, and the cash consideration of \$0.017 per Spectrum Share.</p> <p>As Ramelius Shares are listed on the ASX, the market price of Ramelius Shares can fall as well as rise and may be subject to varied and unpredictable influences. Accordingly, there is no guarantee that a Ramelius Share will continue to be worth equal to or above \$1.33.</p> <p>See section 5.2 of this Bidder's Statement for further details regarding the value of Ramelius Shares.</p>	<p>Section 13</p>

**What are the conditions of the Offer?**

The Offer is subject to a number of conditions, which are set out in full in section 13.8 of this Bidder's Statement. These conditions include (by way of summary only):

Sections 13.8 and 13.11

- (a) a minimum acceptance condition of 50.1%;
- (b) the spot gold price as quoted by Bloomberg does not fall below \$2,000 per ounce at any time during a day for three consecutive days between Announcement Date and the end of the Offer Period (each inclusive)<sup>9</sup>;
- (c) receipt of any regulatory approvals required;
- (d) no order, investigation or application is made which restrains, prohibits or impedes the Takeover Bid and the Offer;
- (e) no person exercises any rights under any provision of any agreement or other instrument to which a member of the Spectrum Group is a party;
- (f) no change of control rights as a result of Ramelius making the Offer;
- (g) no material disposals, cancellation or new commitments by Spectrum;
- (h) no material adverse change occurring;
- (i) no untrue statements are made to ASX;
- (j) restrictions on the conduct of Spectrum's business;
- (k) Spectrum's Tenements are maintained in their current form;
- (l) no litigation against Spectrum which may impact the Penny West Gold Project is commenced, threatened, announced or made known to Ramelius;
- (m) access to all information that is not generally available relating to the Spectrum Group;
- (n) no 'prescribed occurrences' occurring in relation to Spectrum; and
- (o) no distribution, or announcement or declaration of a distribution, is made to Spectrum Shareholders by Spectrum.

If any of these conditions (or the other conditions set out in section 13.8 of this Bidder's Statement) are not satisfied or waived by Ramelius by the end of the Offer Period, then the Offer will lapse and not proceed (i.e. you will retain Your Spectrum Shares).

In addition, there is a statutory condition (see section 13.11 of this Bidder's Statement) relating to the ASX quotation of Ramelius Shares to be issued under the Offer. If this condition is not fulfilled, the Offer will lapse and not proceed (i.e. you will retain Your Spectrum Shares).

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<sup>9</sup> As announced on 10 February 2020, Ramelius will free the Offer from this condition if the Offer is extended. For further information please refer to section 13.10 of this Bidder's Statement.

Question	Answer	Further Information
<b>Do the Spectrum Directors support the Offer?</b>	Yes, all Spectrum Directors have recommended that Spectrum Shareholders accept the Offer and have indicated their intention to do so for the Spectrum Shares that they own or control within 7 days of the Offer opening, unless a Superior Proposal emerges.	Section 1.1
<b>What happens if the conditions of the Offer are not satisfied or waived by the time the Offer closes?</b>	If the conditions of the Offer are not satisfied or waived by the time the Offer closes, the Offer will lapse and your acceptance will be void. In those circumstances, you will not receive the Offer Consideration for Your Accepted Shares and you will retain Your Accepted Shares.	Section 13.10
<b>When will I receive my Offer Consideration under the Offer?</b>	<p>Generally, the Offer Consideration will be issued to you on or before the earlier of:</p> <ul style="list-style-type: none"> <li>(a) one month after this Offer is accepted or one month after all of the conditions have been freed or fulfilled (whichever is the later); and</li> <li>(b) 21 days after the end of the Offer Period.</li> </ul> <p>If the conditions of the Offer are not satisfied or waived by the time the Offer closes, the Offer will lapse and your acceptance will be void. In those circumstances you will not receive the Offer Consideration for Your Accepted Shares and you will retain Your Accepted Shares.</p> <p>Foreign Spectrum 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.</p>	Section 13.6
<b>Will I need to pay brokerage or stamp duty on acceptances?</b>	<p>If Your Spectrum Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Bidder, you will not incur any brokerage fees or be obliged to pay stamp duty in connection with your acceptance of the Offer.</p> <p>If Your Spectrum Shares are registered in a CHES Holding, or if you are a beneficial owner whose Spectrum Shares are registered in the name of a broker, bank custodian or other nominee, you will not be obliged to pay stamp duty by accepting the Offer, but 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 Offer.</p>	Sections 13.15 and 14.4

Question	Answer	Further Information
<b>Broker handling fees</b>	<p>Bidder may offer to pay a commission to brokers who solicit acceptances of the Offer from their clients but has made no final decision in relation to the matter at this stage. If Bidder decides to offer such a commission to brokers, it will make an announcement to ASX confirming this.</p> <p>If such arrangements are put in place, commission payments will not exceed 0.75% of the value of the consideration payable for parcels of Spectrum Shares held by retail Spectrum Shareholders who accept the Offer, and will be subject to minimum payments (not exceeding \$50) and maximum payments (not exceeding \$750) for each Spectrum Shareholder. The commission is payable to brokers only and subject to the condition that no part of the fee will be able to be passed on or paid to Spectrum Shareholders.</p> <p>It is Bidder's intention that, once an offer of commission has been made to any broker by Bidder, the commission arrangement will remain in place for the balance of the Offer Period and the amount of the commission offered will not be increased during the Offer Period.</p>	Section 12.5
<b>Will my new Ramelius Shares be quoted on the ASX?</b>	<p>Ramelius will apply for the Ramelius Shares to be issued under the Offer to be quoted on the ASX within 7 days after the date of this Bidder's Statement. Quotation of these Ramelius Shares will not be automatic but will depend on the ASX exercising its discretion. However, as Ramelius is already admitted to the official list of the ASX and Ramelius Shares in the same class as to those to be issued under the Offer are already quoted, Ramelius believes quotation of the new Ramelius Shares will be granted.</p>	Section 13.11
<b>When does the Offer close?</b>	<p>The Offer closes at 5.00pm (WST) on 30 March 2020, unless it is extended under the Corporations Act.</p>	Section 13.2
<b>Can I accept the Offer for only some of my Spectrum Shares?</b>	<p>No. You cannot accept for part of Your Spectrum Shares. You can only accept the Offer for ALL of Your Shares, not only some.</p>	Section 13.5

Question	Answer	Further Information
<p><b>How do I accept the Offer?</b></p>	<p>You may only accept the Offer in respect of ALL of Your Spectrum Shares, not only some.</p> <p><b>Issuer sponsored shareholders</b></p> <p>If Your Spectrum Shares are registered in an Issuer Sponsored Holding (such holdings will be evidenced by an 'I' appearing next to your holder number on the enclosed Acceptance Form), to accept this Offer, you must complete and sign the Acceptance Form enclosed with this Bidder's Statement and return it to the address indicated on the form before the Offer closes.</p> <p><b>CHESSE shareholders</b></p> <p>If Your Spectrum Shares are registered in a CHESSE Holding (such holdings will be evidenced by an 'X' appearing next to your holder number on the enclosed Acceptance Form), you may accept the Offer by either:</p> <ul style="list-style-type: none"> <li>(a) completing and signing the Acceptance Form enclosed with this Bidder's Statement and returning it to the address indicated on the form; or</li> <li>(b) instructing your Controlling Participant (normally your broker) to accept the Offer on your behalf,</li> </ul> <p>before the Offer closes.</p> <p><b>Participants</b></p> <p>If you are a Participant, acceptance of this Offer must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the Offer closes.</p>	<p>Section 13.3</p>
<p><b>What if I am a Foreign Spectrum Shareholder?</b></p>	<p>Generally speaking, if your address on Spectrum's register of members is in a jurisdiction other than Australia or New Zealand you will be considered to be a Foreign Spectrum Shareholder.</p> <p>If you are a Foreign Spectrum Shareholder you are entitled to accept the Offer just like any other Spectrum Shareholder. However, you will not be entitled to receive Ramelius Shares as a result of acceptance. Instead, the Ramelius Shares to which you would otherwise be entitled to will be issued to a sale nominee approved by ASIC who will sell those Ramelius Shares on the ASX and provide you with the net sale proceeds.</p>	<p>Sections 12.15 and 13.7</p>
<p><b>Can I accept the offer if I would receive an Unmarketable Parcel of Ramelius Shares?</b></p>	<p>Yes, but if you are an Unmarketable Parcel Shareholder you will not receive Ramelius Shares. Instead you will be paid the net proceeds of the sale of the Ramelius Shares you would have been entitled to.</p>	<p>Sections 12.15 and 13.7</p>

Question	Answer	Further Information
<b>What happens if I do not accept the Offer?</b>	<p>If you do not accept the Offer, subject to what is stated below, you will remain a Spectrum Shareholder and will not receive the Offer Consideration.</p> <p>If Bidder becomes entitled to compulsorily acquire Your Spectrum Shares, it intends to proceed with the compulsory acquisition. If Your Spectrum Shares are compulsorily acquired, it will be on the same terms (including the same consideration for each Spectrum Share acquired) as the Offer.</p>	Section 8.4
<b>Once accepted, can I withdraw my acceptance?</b>	<p>Once you accept the Offer, you will not be able to revoke your acceptance unless a withdrawal right exists or arises under the Corporations Act. Such a right may arise if, after you have accepted the Offer and the Offer remains conditional, the offer is varied in a way that postpones, for more than one month, the time by which Bidder has to meet its obligations under the Offer. If this occurs, a notice will be sent to you at the relevant time that explains your rights to withdraw your acceptance of the Offer.</p>	Section 13.5
<b>Can I sell the Ramelius Shares I receive as part of the Offer Consideration?</b>	<p>Yes, you will be able to sell the Ramelius Shares you receive as part of the Offer Consideration on-market on the ASX.</p>	
<b>Does Bidder currently have a Relevant Interest in Spectrum?</b>	<p>Yes, as at the date of this Bidder's Statement, Bidder has a Relevant Interest in 4.88% of Spectrum.</p>	Section 7.4
<b>How is the Offer being funded?</b>	<p>The consideration for the acquisition of the Spectrum Shares will be satisfied by the issue of Ramelius Shares and an aggregate payment of approximately \$25.0 million if acceptances are received for all Spectrum on issue as at the date of this Bidder's Statement and all outstanding Spectrum Options are exercised.</p> <p>Ramelius has the capacity to issue the maximum number of Shares which it may be required to issue under the Offer and the cash consideration will be provided from Ramelius' existing cash reserves. As at 31 December 2019, Ramelius had cash holdings and gold on hand of approximately \$87.7 million, part of which will be used to fund the cash component of the Offer Consideration.</p>	Sections 9.5 and 10
<b>What if I accept the Offer and the Offer Consideration is improved?</b>	<p>In accordance with the Corporations Act, if the Offer Consideration is improved, all Spectrum Shareholders, whether or not they have accepted the Offer before that improvement in the Offer Consideration, will be entitled to the benefit of that improved Offer Consideration.</p>	

Question	Answer	Further Information
<b>What are the tax implications if I accept the Offer?</b>	Refer to section 14 of this Bidder's Statement for some general comments around potential tax implications of this Offer. However, tax implications for accepting the Offer for Your Spectrum 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.	Section 14
<b>How will the Spectrum Options be treated under the Offer?</b>	Bidder is not offering to acquire the Spectrum Options under the Offer but intends to make separate offers to acquire unexercised Spectrum Options. Bidder confirms that it is offering to buy any Spectrum Shares issued during the Offer Period due to the conversion of Spectrum Options on the terms set out in this Bidder's Statement.	Section 7.2
<b>Are there any risks in accepting the Offer?</b>	<p>If you accept the Offer you will become a Ramelius Shareholder (unless you are a Foreign Spectrum Shareholder or Unmarketable Parcel Shareholder).</p> <p>There are risks associated with holding Ramelius Shares, which are summarised in section 11 of this Bidder's Statement. In deciding whether or not to accept the Offer, you should carefully consider these risks.</p>	Section 11
<b>Where do I go for further information?</b>	<p>This Bidder's Statement contains detailed information about the Offer, including the terms and conditions of the Offer contained in section 13 of this Bidder's Statement. For queries on how to accept the Offer, Spectrum Shareholders should also refer to the enclosed Acceptance Form.</p> <p>For all other queries in relation to the Offer, please contact the Offer Information Line on 1300 352 261 (within Australia) or +61 3 9415 4301 (from outside of Australia), Monday to Friday between 8.30am to 5.30pm (AEDT). Please be aware that any calls to these numbers may be recorded. Queries in relation to the Offer will not be received on any other telephone numbers of the Ramelius Group or their advisers.</p> <p>Spectrum Shareholders should also read the Target's Statement in full for further information about the Offer and before deciding whether or not to accept the Offer.</p> <p>If you are in any doubt as to how to deal with this Bidder's Statement, please consult your financial, legal, taxation or other professional adviser.</p>	Section 13

## 4. PROFILE OF RAMELIUS AND THE RAMELIUS GROUP

### 4.1 Overview of Ramelius

Ramelius is a growth-oriented gold producer, focused on delivering superior returns to shareholders. Listed on the ASX in 2003, Ramelius' shares trade under the ASX code "RMS".

Ramelius operates two established mining and production centres at Mt Magnet and Edna May in the tier one mining jurisdiction of Western Australia. Ramelius seeks to leverage off its processing centres and established infrastructure by acquiring or developing gold projects within hauling distance thereby adding to gold production without incurring the additional capital costs for standalone on-site processing infrastructure.

In line with its production and growth strategy, Ramelius operates the high-grade Vivien Gold Mine, which is processed at Mt Magnet, and has recently commenced mining at the Marda Gold Mine, which will be processed at Edna May. Ramelius is also currently progressing the near-term development of the Tampia Hill Gold Project, which will also be processed at Edna May.

Ramelius has been a continuous gold producer since 2006 and the Board and management have considerable expertise in managing open pit and underground mining operations.

As at 24 February 2020, Ramelius had a market capitalisation of \$958 million and held a cash and gold bullion balance of \$87.7 million<sup>10</sup>, with no drawn corporate debt. As part of its ongoing focus on shareholder returns, Ramelius paid a fully franked 1.0 cent dividend in 2019.



Figure 4.1.1: Ramelius' operations & Penny West Gold Project locations

<sup>10</sup> As reported in Ramelius' quarterly activities report for the quarter ending 31 December 2019, released to ASX on 30 January 2020.



## 4.2 Overview of Production

Ramelius' current Life-of-Mine plan<sup>11</sup> confirms its ability to produce in excess of 1,000,000 ounces of gold at an average all-in-sustaining-cost (AISC)<sup>12</sup> of \$1,225 - \$1,325 per ounce over a five-year period. With proven potential to deliver mine life extensions from the existing asset base, it is anticipated that the current mine plan will form the basis of a rolling five-year outlook to give shareholders visibility around future production, cash flow and likely dividends. Following recent successful exploration results and progress on development projects<sup>13</sup>, Ramelius anticipates releasing an updated mine plan in the March Quarter 2020.

In FY2019 Ramelius achieved full year gold production of 196,679 ounces at an AISC of \$1,192 per ounce. Ramelius expects FY2020 production, from its existing asset base, to be in the range of 205,000 – 225,000 ounces, at an AISC of \$1,225 – \$1,325 per ounce.<sup>14</sup> Ramelius has a consistent track record of delivering on production and cost guidance.

## 4.3 Ownership of Ramelius

As a constituent of the S&P/ASX300 index, Ramelius has a strong and diverse shareholder base which is underpinned by a significant and high-quality institutional presence.

As at 30 January 2020, Ramelius' top institutional shareholders include Ruffer LLP, Van Eck Associates Corporation and Vinva Investment Management Limited.

As at 30 January 2020, Ramelius had 7,624 registered shareholders, with the top 20 shareholders representing 49.02% of the issued ordinary shares.

## 4.4 Ramelius' Principal Operations

Over the past five years, Ramelius has grown its gold production by 127%, from 86,653 ounces in FY2015 to 196,679 ounces in FY2019.



Figure 4.4.1: Ramelius' gold production with realised gold price and AISC<sup>15</sup>

A brief summary of Ramelius' principal operations and projects is set out below.

### Mt Magnet Production Centre (Ramelius: 100%)

<sup>11</sup> As reported in Ramelius' ASX announcement on 17 June 2019.

<sup>12</sup> Please refer to "Non-IFRS information" within the Important Notices section for information regarding AISC.

<sup>13</sup> As reported in Ramelius' ASX announcements since 17 June 2019, when the mine plan was announced.

<sup>14</sup> As reported in Ramelius' quarterly activities report for the quarter ending 31 December 2019, released to ASX on 30 January 2020.

<sup>15</sup> Chart values represent the mid-point of Ramelius' expected FY2020 production and AISC guidance of 205,000 – 225,000 ounces, at an AISC of \$1,225 – \$1,325 per ounce. FY2020 average realised gold price estimate of \$1,971 includes actual sales to date, existing forward sales contracts and spot sales at an assumed price of \$2,300. Please refer to "Non-IFRS information" within the Important Notices section for information regarding AISC and average realised gold price.

Located in the Murchison region of WA, 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 FY2019 Mt Magnet processed ore mined from 5 open pits and two undergrounds. Open pit mining areas included: Milky Way, Stellar, Stellar West, Shannon and Vegas. Underground mining areas included Water Tank Hill and Vivien. In FY2019, development activity focused on the Eridanus open pit, Hill 60 underground, Shannon underground and mine extension drilling at Vivien underground.

Successful exploration at Eridanus has resulted in a significant increase to the Mineral Resources<sup>16</sup>. It is envisaged that recent results will be incorporated into Ramelius' updated mine plan in the March Quarter 2020.

The Mt Magnet processing facility (known as Checkers) 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 ore processing could be increased.

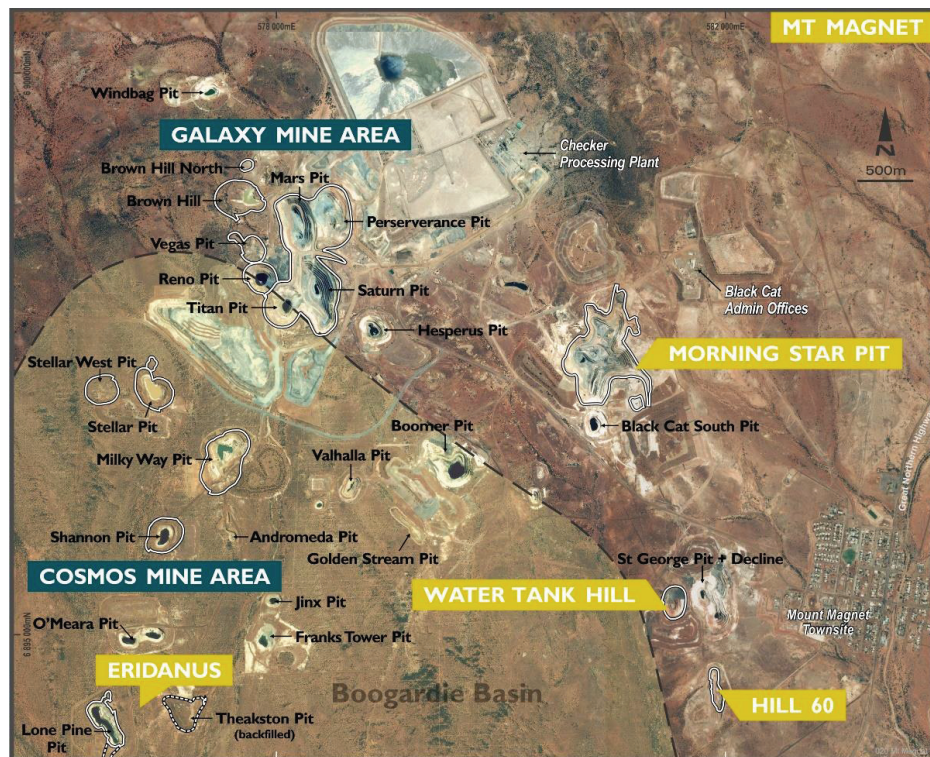


Figure 4.4.2: Mt Magnet key mining and exploration areas (excl. Vivien)

Vivien Gold Mine (Ramelius: 100%)

The high-grade Vivien underground mine is located near the Agnew Gold Mine, 15 km west of Leinster in WA. Mining commenced in late 2015 and remains ongoing.

During FY2019 a total of 256,000 tonnes of high-grade ore at 5.34 g/t Au from Vivien was processed at the Mt Magnet processing facility, producing 42,761 ounces of fine gold.

Successful exploration below the planned mining area has added both Mineral Resources and Ore Reserves<sup>17</sup> and drilling at depth remains ongoing. It is envisaged that recent results will be incorporated into Ramelius' updated mine plan in the March Quarter 2020.

<sup>16</sup> As reported and announced in Ramelius' ASX announcement on 23 December 2019.

<sup>17</sup> As reported and announced in Ramelius' ASX announcement on 12 September 2019.

### Edna May (Ramelius: 100%)

The Edna May Gold Mine is a gold operation located 300km east of Perth, half-way between Perth and the prolific Kalgoorlie gold mining area. The deposit has recorded production of over 1,000,000 ounces, with over 500,000 ounces produced since 2011.

In FY2019 mining of the Stage 2 Edna May open pit was completed and operations focused on milling of existing stockpiles, whilst a recent assessment of Edna May development options concluded with the decision to develop an underground mine in favour of a considered Stage 3 open pit cutback.

Ramelius has recently received final environmental approvals for the development of the Greenfinch open pit, immediately adjacent to the existing Edna May open pit. While production was not scheduled until FY2021, an earlier start date is currently being considered for inclusion in the updated mine plan, expected in the March Quarter 2020.

The Edna May mill is a 2.8Mtpa conventional carbon-in-leach gold plant comprising of two stage crushing, semi autogenous grinding and ball mill, gravity circuit and leaching.

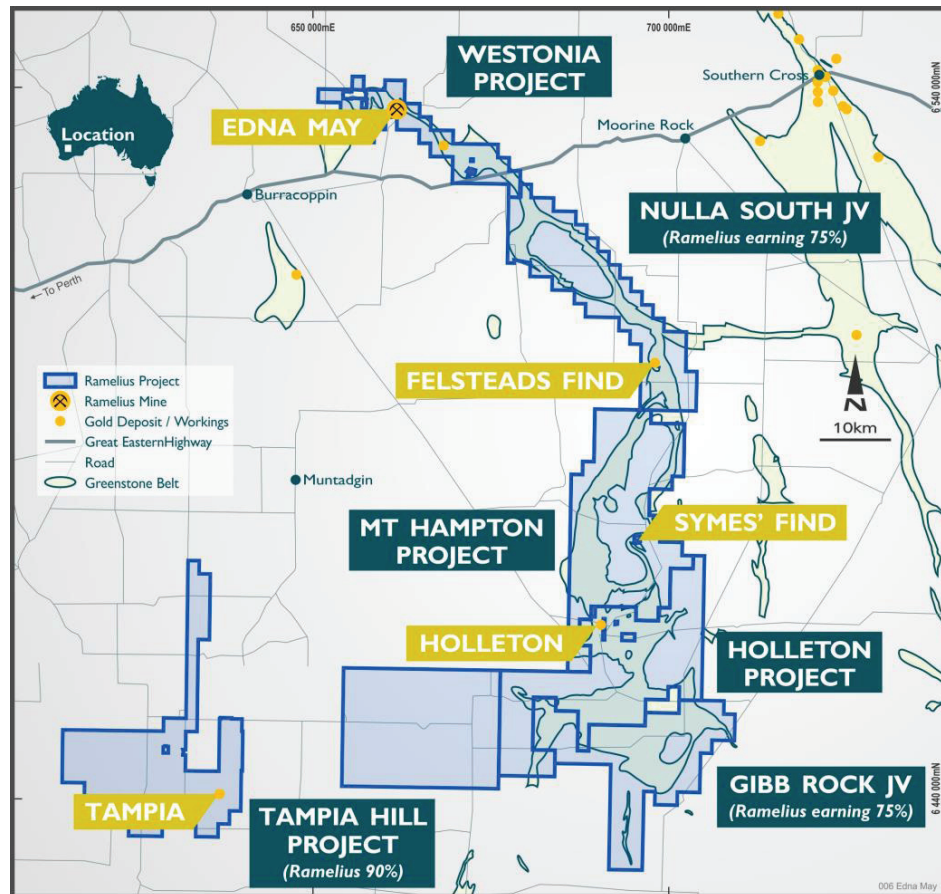


Figure 4.4.3: Edna May key mining and exploration areas

### Marda Gold Mine (Ramelius: 100%)

The Marda Gold Project is an advanced development open pit project, located around 130km north of the town of Southern Cross and 400km north-east of Perth WA.

Ramelius acquired the project in February 2019, optimised the project development plan and recently commenced mining<sup>18</sup>. As a series of small to moderate size, medium to high-grade open pits, the project will supply satellite ore streams to the Edna May production centre.

<sup>18</sup> As reported in the Ramelius quarterly activities report for the period ending 31 December 2019, released to ASX on 30 January 2020.

Significant work has recently been completed, including site set-up, clearing and infrastructure and work continues on preparation of the haulage roads to Edna May processing plant, 190km to the south-west. Haulage of ore to the Edna May is scheduled to commence in March 2020.

Tampia Gold Development Project (Ramelius: 90%)

The Tampia Gold Project is an open pit development project, located 12km south-east of the town of Narembeen in the wheatbelt and 250km east of Perth WA. The deposit is located 148km from the Edna May production centre, via sealed roads.

Ramelius acquired a 90% interest the Tampia Gold Project in early 2019 and undertook an economic assessment of onsite milling vs ore haulage options to Edna May, resulting in the preliminary decision to truck ore the Edna May processing plant 140km to the north, which will require only minor modifications to accommodate the ore from Tampia.

Stakeholder consultation with key landowners, minority owners, relevant Shires and regulatory bodies is ongoing and various activities relating to mining approvals, ore haulage, mill modifications and camp infrastructure are all being advanced.

## 4.5 Ramelius' Mineral Resources and Ore Reserves

Ramelius' current published Mineral Resources and Ore Reserves are tabled below.

Ramelius Mineral Resources as at 30 June 2019 are summarised in the table below:

MINERAL RESOURCES AS AT 30 JUNE 2019 - INCLUSIVE OF RESERVES																
Project	Deposit	Measured			Indicated			Inferred			Total Resource					
		t	g/t	oz	t	g/t	oz	t	g/t	oz	t	g/t	oz			
Mt Magnet	Galaxy Group	92,000	1.8	5,400	4,100,000	1.6	220,000	2,300,000	1.3	96,000	6,600,000	1.5	320,000			
	Morning Star				4,900,000	1.9	300,000	4,300,000	1.5	210,000	9,200,000	1.7	510,000			
	Bartus Group	49,000	2.2	4,000	110,000	2.1	8,000	240,000	1.6	12,000	400,000	1.9	24,000			
	Boomer				1,200,000	1.8	68,000	790,000	1.0	26,000	2,000,000	1.5	94,000			
	Britannia Well				180,000	2.0	12,000				180,000	2.1	12,000			
	Bullocks				200,000	3.3	21,000	40,000	2.5	3,000	240,000	3.1	24,000			
	Eastern Jaspilite	150,000	2.2	10,000	120,000	2.8	11,000	130,000	2.5	11,000	400,000	2.5	32,000			
	Eclipse				170,000	2.2	12,000	41,000	2.1	3,000	210,000	2.2	15,000			
	Eridanus				2,800,000	1.3	120,000	690,000	1.1	23,000	3,500,000	1.3	150,000			
	Golden Stream				150,000	2.9	14,000	67,000	1.2	2,700	220,000	2.4	17,000			
	Lone Pine				490,000	1.3	21,000	390,000	1.7	21,000	870,000	1.5	42,000			
	Milky Way				1,400,000	1.3	58,000	880,000	1.1	30,000	2,300,000	1.2	88,000			
	O'Meara Group				180,000	2.5	14,000	230,000	1.7	12,000	410,000	2.0	27,000			
	Spearmont-Gallée				25,000	2.9	2,000	210,000	4.3	28,000	230,000	4.0	30,000			
	Stellar				380,000	2.1	26,000				380,000	2.1	26,000			
	Welcome - Baxter	220,000	1.6	11,000	280,000	1.6	15,000	200,000	1.8	11,000	700,000	1.7	37,000			
	<b>Open Pit deposits</b>				510,000	1.9	30,000	17,000,000	1.7	920,000	11,000,000	1.4	480,000	28,000,000	1.6	1,400,000
	Hill 50 Deeps	280,000	5.5	49,000	930,000	7.0	210,000	400,000	6.4	81,000	1,600,000	6.6	340,000			
	Hill 60				200,000	4.4	28,000	160,000	4.3	22,000	360,000	4.3	50,000			
	Morning Star Deeps				190,000	4.2	26,000	330,000	5.0	53,000	530,000	4.7	79,000			
Saturn UG							1,600,000	2.5	130,000	1,600,000	2.5	130,000				
Shannon				330,000	5.9	63,000	290,000	4.2	39,000	620,000	5.1	100,000				
<b>UG deposits</b>	280,000	5.5	49,000	1,700,000	6.1	330,000	2,800,000	3.6	320,000	4,700,000	4.6	700,000				
ROM & LG stocks	1,500,000	0.7	33,000							1,500,000	0.7	33,000				
<b>Total Mt Magnet</b>	2,300,000	1.5	110,000	18,000,000	2.1	1,200,000	13,000,000	1.9	810,000	34,000,000	2.0	2,200,000				
Edna May	Edna May				21,000,000	0.9	580,000	5,100,000	0.8	130,000	26,000,000	0.9	720,000			
	Edna May UG				310,000	6.9	70,000	12,000	6.7	2,700	330,000	6.9	73,000			
	Greenfinch				2,700,000	1.1	94,000	1,700,000	1.1	60,000	4,400,000	1.1	150,000			
	ROM & LG stocks	1,700,000	0.5	25,000						1,700,000	0.5	25,000				
<b>Total Edna May</b>	1,700,000	0.5	25,000	24,000,000	1.0	750,000	6,800,000	0.9	200,000	32,000,000	0.9	970,000				
Vivien	Vivien UG	370,000	5.8	68,000	41,000	3.9	5,100	34,000	2.9	3,100	440,000	5.4	77,000			
Kathleen Valley	Mossbecker				110,000	2.6	8,900	120,000	3.4	13,000	230,000	3.0	22,000			
	Yellow Aster				91,000	3.8	11,000	300,000	2.0	18,000	390,000	2.4	30,000			
	Nil Desperandum				23,000	5.8	4,400	100,000	2.9	9,500	120,000	3.5	14,000			
	<b>Total KV</b>				220,000	3.4	24,000	520,000	2.5	41,000	750,000	2.7	66,000			
Coogee	Coogee				31,000	3.6	3,600	65,000	3.3	7,000	96,000	3.4	11,000			
WesternQueen	WQ South				100,000	3.6	12,000	81,000	3.4	8,800	180,000	3.5	21,000			
Symes	Symes Find				400,000	1.9	24,000	150,000	2.1	10,000	540,000	1.9	34,000			
Marda	Dolly Pot				560,000	1.7	31,000	44,000	1.7	2,300	610,000	1.7	34,000			
	Dugite				250,000	1.9	15,000			250,000	1.9	15,000				
	Python				760,000	1.9	47,000	170,000	1.8	10,000	940,000	1.9	57,000			
	Goldstream				100,000	2.5	8,300	130,000	1.4	5,900	230,000	1.9	14,000			
	Golden Orb				370,000	3.0	35,000	190,000	1.8	11,000	560,000	2.6	46,000			
	King Brown				130,000	4.3	18,000	41,000	1.9	2,600	170,000	3.7	21,000			
	Die Hardy				1,100,000	1.6	54,000	450,000	1.5	21,000	1,500,000	1.6	75,000			
Red Legs							370,000	2.9	34,000	370,000	2.9	34,000				
<b>Total Marda</b>				3,200,000	2.0	210,000	1,400,000	2.0	87,000	4,600,000	2.0	300,000				
Tampia	Tampia	390,000	2.4	31,000	7,700,000	1.7	420,000	130,000	1.8	7,400	8,200,000	1.7	460,000			
<b>Total Resource</b>		<b>4,700,000</b>	<b>1.6</b>	<b>240,000</b>	<b>54,000,000</b>	<b>1.6</b>	<b>2,700,000</b>	<b>22,000,000</b>	<b>1.6</b>	<b>1,200,000</b>	<b>81,000,000</b>	<b>1.6</b>	<b>4,100,000</b>			

Figures rounded to 2 significant figures. Rounding errors may occur.

Ramelius Ore Reserves as at 30 June 2019 are summarised in the table below:

ORE RESERVE STATEMENT AS AT 30 JUNE 2019										
Project	Mine	Proven			Probable			Total Reserve		
		t	g/t	oz	t	g/t	oz	t	g/t	oz
Mt Magnet	Boomer				130,000	2.9	12,000	130,000	2.9	12,000
	Brown Hill				620,000	1.6	31,000	620,000	1.6	31,000
	Eridanus				3,100,000	1.1	110,000	3,100,000	1.1	110,000
	Golden Stream				95,000	3.0	9,200	95,000	3.0	9,200
	Milky Way				200,000	1.2	7,800	200,000	1.2	7,800
	Morning Star				1,100,000	1.9	68,000	1,100,000	1.9	68,000
	Stellar				170,000	2.7	15,000	170,000	2.7	15,000
	Vegas				180,000	1.3	7,500	180,000	1.3	7,500
	<i>Total Open Pit</i>				5,600,000	1.4	260,000	5,600,000	1.4	260,000
	Hill 60				240,000	3.2	25,000	240,000	3.2	25,000
	Shannon				290,000	5.1	48,000	290,000	5.1	48,000
	<i>Total Underground</i>				530,000	4.3	73,000	530,000	4.3	73,000
	ROM & LG stocks	1,500,000	0.7	33,000	-	-	-	1,500,000	0.7	33,000
<b>Mt Magnet Total</b>	<b>1,500,000</b>	<b>0.7</b>	<b>33,000</b>	<b>6,100,000</b>	<b>1.7</b>	<b>330,000</b>	<b>7,600,000</b>	<b>1.5</b>	<b>360,000</b>	
	Edna May UG				420,000	4.7	63,000	420,000	4.7	63,000
	Greenfinch				1,700,000	1.2	62,000	1,700,000	1.2	62,000
	ROM & LG stocks	1,700,000	0.5	25,000	-	-	-	1,700,000	0.5	25,000
	<b>Edna May Total</b>	<b>1,700,000</b>	<b>0.5</b>	<b>25,000</b>	<b>2,100,000</b>	<b>1.9</b>	<b>130,000</b>	<b>3,700,000</b>	<b>1.3</b>	<b>150,000</b>
Vivien	<b>Vivien UG</b>	220,000	6.2	44,000	-	-	-	220,000	6.2	44,000
Marda	Dolly Pot				300,000	1.7	16,000	300,000	1.7	16,000
	Dugite				170,000	2.0	11,000	170,000	2.0	11,000
	Python				320,000	2.2	22,000	320,000	2.1	22,000
	Goldstream				71,000	2.6	6,000	71,000	2.6	6,000
	Golden Orb East				64,000	4.2	8,600	64,000	4.2	8,600
	Golden Orb West				140,000	2.7	12,000	140,000	2.7	12,000
	King Brown				75,000	5.3	13,000	75,000	5.4	13,000
	<b>Marda Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,100,000</b>	<b>2.5</b>	<b>89,000</b>	<b>1,100,000</b>	<b>2.5</b>	<b>89,000</b>
Tampia	<b>Tampia</b>	170,000	3.7	20,000	2,000,000	2.7	180,000	2,200,000	2.8	200,000
<b>Total Reserve</b>		<b>3,600,000</b>	<b>1.1</b>	<b>120,000</b>	<b>11,000,000</b>	<b>2.0</b>	<b>720,000</b>	<b>15,000,000</b>	<b>1.8</b>	<b>840,000</b>

Figures rounded to 2 significant figures. Rounding errors may occur.

#### **Notes to the Mineral Resources and Ore Reserves Tables**

- Both the above tables are current as at 30 June 2019. For detailed information refer to the ASX release dated 10 September 2019 entitled "Resources and Reserves Statement 2019".
- In addition to normal production depletion, which has been in line with Ramelius' quarterly production numbers, the major material change since publishing is the increase to the Eridanus Mineral Resource which was released to the ASX on 23 December 2019 entitled "Major increase of Eridanus Mineral Resource (Mt Magnet)". The new resource is:

Category	Tonnes	Grade (g/t)	Ounces
Measured	1,500,000	1.2	56,000
Indicated	5,900,000	1.3	240,000
Inferred	4,500,000	1.3	190,000
<b>Total</b>	<b>12,000,000</b>	<b>1.3</b>	<b>490,000</b>

This resource includes the 30 June 2019 resource total as per above. A new open pit evaluation and design is progressing, and a new ore reserve is pending.

## 4.6 Ramelius Directors

Brief profiles of the Ramelius Directors are as follows. Messrs Lines and Zeptner are the directors of Mt Magnet Gold Pty Ltd, the Bidder.

(a) **Kevin James Lines**

Independent Non-Executive Chairman

Mr Lines is a geologist and has more than 35 years' of experience in mineral exploration and mining for gold, copper, lead, zinc and tin. He has held senior geological management positions with Newmont Australia Limited, Normandy Mining Limited and the CRA group of companies. He was the foundation Chief Geologist at Kalgoorlie Consolidated Gold Mines where he led the team that developed the ore-body models and geological systems for the Super-Pit Operations in Kalgoorlie.

Mr Lines is a member of the Audit Committee, the Nomination and Remuneration Committee and Sustainability and Risk Committee.

Mr Lines is also a director of Bidder.

(b) **Mark William Zeptner**

Managing Director

Mr Zeptner has more than 25 years' industry experience including senior operational and management positions with WMC and Gold Fields Limited at their major gold and nickel assets in Australia and offshore.

Mr Zeptner joined Ramelius Resources Limited on 1 March 2012 as the Chief Operating Officer and was appointed as Chief Executive Officer on 11 June 2014. Mr Zeptner was appointed as Managing Director of Ramelius effective from 1 July 2015.

(c) **Michael Andrew Bohm**

Independent Non-Executive Director

Mr Bohm is a mining engineer with extensive corporate and operational management experience in the minerals industry in Australia, South East Asia, Africa, Chile, Canada and Europe. He is a graduate of the WA School of Mines and has worked as a mining engineer, mine manager, study manager, project manager, project director and Managing Director. He has been directly involved in a number of project developments in the gold, base metals and diamond sectors in both open pit and underground mining environments.

Mr Bohm is Chairman of the Nomination and Remuneration Committee and member of the Sustainability and Risk Committee.

(d) **David Clifford Southam**

Independent Non-Executive Director

Mr Southam is a Certified Practising Accountant with more than 25 years' experience in accounting, capital markets and finance across the resources and industrial sectors. Mr Southam has been intimately involved in several large project financings in multiple jurisdictions and has completed significant capital market and M&A transactions.

Mr Southam is Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee.

(e) **Natalia Streltsova**

Non-Executive Director

Natalia Streltsova is a PhD qualified Chemical Engineer with more than 25 years' minerals industry experience, including over 10 years in senior technical and corporate roles with mining majors – WMC, BHP and Vale. She has a strong background in mineral processing and metallurgy with specific expertise in gold and base metals.

Dr Streltsova has considerable international experience covering project development and acquisitions in Africa, South America and in the countries of the Former Soviet Union.

Dr Streltsova is Chairman of the Sustainability and Risk Committee and a member of the Audit Committee.

#### 4.7 Ramelius Senior Management

Brief profiles of the senior management team of Ramelius as at the date of this Bidder's Statement are as follows.

(a) **Mark William Zeptner**

Managing Director

Please see section 4.6(b) of this Bidder's Statement for information regarding Mr Zeptner.

(b) **Tim Manners**

Chief Financial Officer

Mr Manners is a finance professional with over 25 years' experience in accounting, corporate finance and financial management functions in the resources industry. Mr Manners has been involved in exploration, developing and producing companies both in Australia and overseas.

Mr Manners has held the senior financial position in companies within the precious, base and bulk commodities sectors, including Gold Road Resources Ltd, Phoenix Gold Ltd, Bathurst Resources Ltd and Perilya Ltd. Mr Manners joined Ramelius in July 2017 and is a Fellow of the Institute of Chartered Accountants in Australia and New Zealand.

(c) **Duncan Coutts**

Chief Operating Officer

Mr Coutts is a qualified mining engineer with more than 20 years resource industry experience. He holds a Bachelor of Engineering (Hons) in Mining Engineering from the Western Australian School of Mines in Kalgoorlie. Recently he has been providing technical and operational consulting services to iron ore and gold focused mining companies. Prior to this consulting work, Duncan was CEO of the privately owned iron ore producer Kimberley Metals Group, located in the Kimberley region of Western Australia.

Mr Coutts has also held positions of General Manager – Development with ASX listed Galaxy Resources Ltd, Chief Development Officer with ASX listed Metals X Ltd, and Chief Operating Officer for Harmony Gold Australia where he was responsible for the management and project development of operations in Western Australia, Northern Territory and Papua New Guinea.

(d) **Kevin Seymour**

General Manager Exploration

Mr Seymour graduated with a BSc (Geology) from UWA in 1984 and has over 30 years' experience in mineral exploration spanning Australia, North America, Argentina and the Pacific Islands. He has held Principal Exploration Geologist positions with Ashton Gold, Delta Gold and Sons of Gwalia before becoming Exploration Manager of Glengarry Resources in 2004 and General Manager of Exploration for Ramelius Resources in 2009.

Highlights throughout his career include being an integral team member for the discovery of Delta Gold's Lady Ida Operations and the high grade Mulgarrie gold mine north of Kanowna Belle.

During his time at Sons of Gwalia Kevin worked on the now fully operational Gwalia Deeps Gold Project at Leonora and more recently with Ramelius has successfully led the exploration and acquisition team that has helped revitalise the fortunes of Ramelius' flagship Mt Magnet Gold Operations.

(e) **Richard Jones**

Company Secretary

Mr Jones joined Ramelius in October 2018. He has more than 20 years' experience as a corporate commercial lawyer in both private and in-house capacities and across various industries. He has also served as company secretary for ASX listed and unlisted companies in the mining sector.



Mr Jones is also the company secretary of Bidder.

#### 4.8 Historical financial information

The historical financial information set out below for the Ramelius Group is extracted from Ramelius' half year financial statement as at 31 December 2019 and Ramelius' full year consolidated financial statements as at 30 June 2019 and 30 June 2018. The half year financial statements were reviewed by Deloitte Touche Tohmatsu. The full year financial statements for FY2019 were audited by Deloitte Touche Tohmatsu who issued an unqualified audit opinion. The full year financial statements for FY2018 were audited by Grant Thornton who issued an unqualified audit opinion. A copy of Ramelius' consolidated financial statements can be found on its website: [www.rameliusresources.com.au](http://www.rameliusresources.com.au)

The historical financial information in respect of the Ramelius Group has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards, and in accordance with its accounting policies, as set out in the consolidated financial reports of Ramelius for the half year ended 31 December 2019 and the full years ended 30 June 2019 and 30 June 2018.

Group key metrics for the period ended	6 Months ending 31 December 2019	12 months ending 30 June 2019	12 Months ending 30 June 2018
Gold production (Oz)	92,084	196,679	208,118
Gold sales (Oz)	85,692	203,318	203,085
AISC <sup>19</sup> (\$/Oz)	\$1,240	\$1,192	\$1,191

Financial Position as at	31 December 2019 (Reviewed)	30 June 2019 \$'000 (Audited)	30 June 2018 \$'000 (Audited)
<b>Current assets</b>			
Cash (and cash equivalents)	61,948	95,815	68,209
Trade and other receivables	5,539	6,774	3,358
Inventories (inc. gold bullion)	60,843	41,067	58,086
Other assets	5,906	8,629	1,439
<b>Total current assets</b>	<b>134,236</b>	<b>152,285</b>	<b>131,092</b>
<b>Non-current assets</b>			
Other receivables	-	-	1,306
Other assets	507	1,448	7,296
Financial assets	5,779	101	126
Property, plant and equipment	78,557	43,823	51,122
Development assets	128,103	99,430	84,728
Exploration & evaluation assets	106,552	99,442	19,317
Deferred tax assets	-	-	917
<b>Total non-current assets</b>	<b>319,498</b>	<b>244,284</b>	<b>164,812</b>
<b>Total assets</b>	<b>453,734</b>	<b>396,569</b>	<b>295,904</b>
<b>Current liabilities</b>			
Trade and other payables	49,166	44,926	31,796

<sup>19</sup> Please refer to "Non-IFRS information" within the Important Notices section for information regarding AISC.

Financial Position as at	31 December 2019 (Reviewed)	30 June 2019 \$'000 (Audited)	30 June 2018 \$'000 (Audited)
Lease Liabilities	14,864	-	-
Provisions	6,965	6,852	6,075
<b>Total current liabilities</b>	<b>70,995</b>	<b>51,778</b>	<b>37,871</b>
<b>Non-Current Liabilities</b>			
Lease Liabilities	15,113	-	-
Provisions	46,749	45,987	43,169
Contingent consideration	12,739	12,121	12,892
Deferred tax liabilities	16,168	7,741	-
<b>Total non-current liabilities</b>	<b>90,769</b>	<b>65,849</b>	<b>56,061</b>
<b>Total liabilities</b>	<b>161,764</b>	<b>117,627</b>	<b>93,932</b>
<b>Net assets</b>	<b>291,970</b>	<b>278,942</b>	<b>201,972</b>
<b>Equity</b>			
Share capital	214,423	214,218	149,568
Reserves	(8,070)	(7,674)	1,884
Retained earnings	85,617	72,398	50,520
<b>Total equity</b>	<b>291,970</b>	<b>278,942</b>	<b>201,972</b>

#### 4.9 Publicly available information about Ramelius

Ramelius is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Ramelius is subject to the Listing Rules which require continuous disclosure of any information Ramelius has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

As Bidder is offering Ramelius Shares as part of the Offer Consideration for the acquisition of Spectrum Shares under the Takeover Bid, the Corporations Act requires that this Bidder's Statement must include all material that would be required for a prospectus for an offer of Ramelius Shares under sections 710 to 713 of the Corporations Act.

By virtue of section 710 of the Corporations Act, this Bidder's Statement is required to contain all the information investors and their professional advisers would reasonably require to make an informed assessment of:

- (a) the rights and liabilities attaching to the Ramelius Shares to be issued pursuant to the Takeover Bid; and
- (b) the assets and liabilities, financial position and performance, profits and losses and prospects of Ramelius.

A summary of the rights and liabilities attaching to Ramelius Shares is set out in section 5.4 of this Bidder's Statement.

Ramelius' annual financial report to shareholders for the year ended 30 June 2019 was lodged with ASIC and ASX on 26 August 2019 (**Annual Financial Report**). The Annual Financial Report 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.

Pursuant to section 712 of the Corporations Act, this Bidder's Statement incorporates, by reference, the Annual Financial Report and all continuous disclosure notices given by Ramelius to the ASX since 26

August 2019. A list of continuous disclosure notices given by Ramelius to the ASX since 26 August 2019 is set out in Attachment 2.

Spectrum Shareholders may call the Offer Information Line on 1300 352 261 (within Australia) or +61 3 9415 4301 (from outside of Australia), Monday to Friday between 8.30am to 5.30pm (AEDT) to obtain a copy, free of charge during the Offer Period and within 2 business days of the request, of:

- (a) the most recent annual financial report lodged with ASIC by Ramelius before lodgement of this 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 this 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 this Bidder's Statement with ASIC.

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.

A substantial amount of information about Ramelius is available in electronic form from [www.rameliusresources.com.au](http://www.rameliusresources.com.au)

There is no other information, other than as set out elsewhere in this Bidder's Statement, which investors or their professional advisers would reasonably require for the purpose of making an informed assessment of:

- (a) the rights and liabilities attaching to the Ramelius Shares to be issued pursuant to the Takeover Bid; or
- (b) the assets and liabilities, financial position and performance, profits and losses and prospects of Ramelius.

This Bidder's Statement contains details specific to the issue of Ramelius Shares. If Spectrum Shareholders require further information in relation to Ramelius, Ramelius recommends that they take advantage of the ability to inspect or obtain copies of the documents referred to above.

#### **4.10 Corporate governance**

The Ramelius Board aims to provide accountability levels that meet or exceed the ASX Corporate Governance Council's Principles for Good Corporate Governance and Best Practice Recommendations.

Details on Ramelius' corporate governance procedures, policies and practices can be obtained at Ramelius' website [www.rameliusresources.com.au](http://www.rameliusresources.com.au).

#### **4.11 Announcement by Ramelius and Spectrum in relation to the Offer**

On 10 February 2020, Ramelius and Spectrum made a joint public announcement to ASX in relation to the Offer. A copy of that announcement is contained in Attachment 1 of this Bidder's Statement.

## 5. INFORMATION ON RAMELIUS' SECURITIES

### 5.1 Ramelius issued securities

As at the date of this Bidder's Statement, Ramelius' issued securities consist of:

- (a) 658,470,383 Ramelius Shares;
- (b) 1,500,000 Ramelius Options; and
- (c) 12,834,577 Ramelius Performance Rights.

### 5.2 Recent trading of Ramelius Shares

The latest recorded sale price of Ramelius Shares on ASX before the Announcement Date was \$1.325 as at close of trading on ASX on 7 February 2020.

The latest recorded sale price of Ramelius Shares on ASX before the date on which this Bidder's Statement was lodged with ASIC was \$1.455 on 24 February 2020.

The highest recorded sale price of Ramelius Shares on ASX in the last 4 months before this Bidder's Statement was lodged with ASIC was \$1.475 on 24 February 2020.

The lowest recorded sale price of Ramelius Shares on ASX in the last 4 months before this Bidder's Statement was lodged with ASIC was \$0.895 on 13 December 2019.

The following chart shows the last sale price of Ramelius Shares on ASX in the 12 months prior to the Announcement Date.

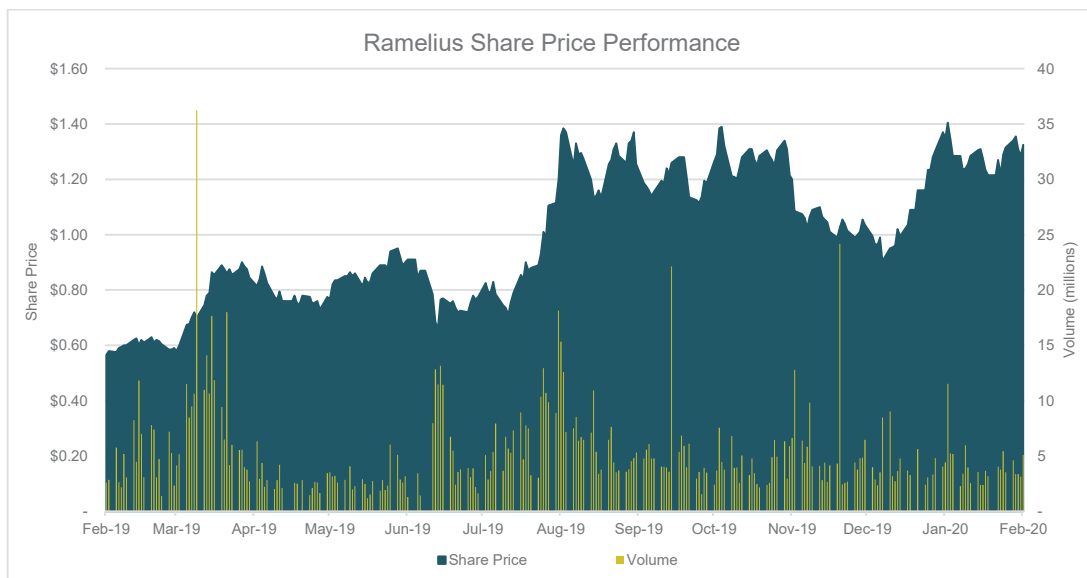


Figure 5.2.1: Ramelius 12 month share price history

### 5.3 Dividend policy

A fully franked dividend of \$0.01 per Ramelius Share was declared and paid by Ramelius on 4 October 2019, in line with its dividend policy announced on 29 November 2018 (**Dividend Policy**). In the future, dividends may be payable on Ramelius Shares in line with the Dividend Policy, which states that Ramelius will pay a minimum dividend of \$0.01 per Ramelius share per annum and a target maximum payout of 30% of free cash flow, subject to Ramelius maintaining a minimum cash and gold balance of \$50 million and a reserve life of at least 5 years.

### 5.4 Rights and liabilities attaching to Ramelius Shares

#### (a) Introduction

The Ramelius Shares issued as part of the Offer Consideration under the Offer will be issued fully paid and will rank equally for dividends and other rights in all respects with all existing Ramelius Shares from the date of issue.

Ramelius will apply for the Ramelius Shares to be issued under the Offer to be quoted on the ASX within 7 days after the date of this Bidder's Statement. Quotation of these Ramelius Shares will not be automatic but will depend on the ASX exercising its discretion. However, as Ramelius is already admitted to the official list of the ASX and Ramelius Shares in the same class as to those to be issued under the Offer are already quoted, Ramelius believes quotation of the new Ramelius Shares will be granted. In accordance with the Corporations Act, the quotation of the Ramelius Shares to be issued under the Offer is a condition to the Offer under section 13.11 of this Bidder's Statement.

Since the Ramelius Shares issued as part of the Offer Consideration under the Offer will be issued credited as fully paid, no monetary liability attaches to them.

The rights and liabilities attaching to the Ramelius Shares which will be issued as part of the Offer Consideration under the Offer are set out in Ramelius' constitution (**Ramelius Constitution**) and in the Corporations Act. Under section 140(1) of the Corporations Act, the Ramelius Constitution has effect as a contract between Ramelius and each member and between a member of Ramelius and each other member. Accordingly, if you accept the Offer and are issued Ramelius Shares you will, as a result, become liable to comply with the Ramelius Constitution.

The main rights and liabilities attaching to the Ramelius Shares are summarised below. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Ramelius Shareholders.

(b) **General Meeting**

Each member is entitled to receive notice of, and to attend and vote at, general meetings of Ramelius and to receive all notices, accounts and other documents required to be sent to members under the Ramelius Constitution, the Corporations Act or the Listing Rules.

(c) **Voting**

Subject to any rights or restrictions for the time being attached to any class or classes of shares whether by the terms of their issue, the Ramelius Constitution, the Corporations Act or the ASX Listing Rules, at a general meeting of Ramelius every holder of fully paid ordinary shares present in person or by a representative, proxy or attorney has one vote on a show of hands and every such holder present in person or by a representative, proxy or attorney has one vote per share on a poll. A person who holds an ordinary share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share. A member is not entitled to vote unless all calls and other sums presently payable by the member in respect of shares in Ramelius have been paid. Where there are two or more joint holders of the share and more than one of them is present at a meeting and tenders a vote in respect of the share (whether in person or by proxy or attorney), Ramelius will count only the vote cast by the member whose name appears before the other(s) in Ramelius' register of members.

(d) **Issues of Further Shares**

The Directors may, on behalf of Ramelius, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Ramelius Constitution, the ASX Listing Rules, the Corporations Act and any rights for the time being attached to the shares in special classes of shares.

(e) **Variation of Rights**

At present, Ramelius only has one class of shares on issue, namely ordinary shares. The rights attached to the shares in any class may be altered only by a special resolution of Ramelius and a special resolution passed at a separate meeting of the holders of the issued shares of the affected class, or with the written consent of the holders of at least three quarters of the issued shares of the affected class.

(f) **Transfer of Shares**

Subject to the Ramelius Constitution, the Corporations Act, the ASX Settlement Operating Rules and the ASX Listing Rules, ordinary shares are freely transferable. The shares may be transferred by a proper transfer effected in accordance with ASX Settlement Operating Rules,

by any other method of transferring or dealing introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by the Directors that is permitted by the Corporations Act. Ramelius may decline to register a transfer of shares in the circumstances described in the Ramelius Constitution and where permitted to do so under the ASX Listing Rules. If Ramelius declines to register a transfer, Ramelius must give the lodging party written notice of the refusal and the reasons for refusal. The Ramelius Directors must decline to register a transfer of shares when required by law, by the ASX Listing Rules or by the ASX Settlement Operating Rules.

(g) **Partly Paid Shares**

The Ramelius Directors may, subject to compliance with the Ramelius Constitution, the Corporations Act and the ASX Listing Rules, issue partly paid shares upon which amounts are or may become payable at a future time(s) in satisfaction of all or part of the unpaid issue price.

(h) **Dividends**

Subject to the Corporations Act, the Ramelius Directors may determine that a dividend is payable and fix the amount, the time for payment and the method of payment. If the Ramelius Directors do not exercise their power to declare and pay dividends, Ramelius in a general meeting may resolve to do so. Dividends may be paid on shares of one class but not another and at different rates for different classes. Subject to the rights of members entitled to shares with special rights as to dividend (if any), all dividends in respect of shares (including ordinary shares) are to be declared and paid proportionally to the amount paid up or credited as paid up on the shares.

(i) **Winding Up**

Subject to the rights of holders of shares with special rights in a winding up, if Ramelius is wound up, members (including holders of ordinary shares) will be entitled to participate in any surplus assets of Ramelius in proportion to the amounts paid on their respective shares before the winding up began.

(j) **Dividend Plans**

The Ramelius Directors may establish and maintain dividend plans under which (among other things) a member may elect that dividends payable by Ramelius be reinvested by way of subscription for shares in Ramelius or a member may elect to forego any dividends that may be payable on all or some of the shares held by that member and to receive instead some other entitlement, including the issue of shares.

(k) **Directors**

The Ramelius Constitution states that the minimum number of Ramelius Directors is three.

(l) **Powers of the Board**

The Ramelius Directors have power to manage the business of Ramelius and may exercise that power to the exclusion of the members, except as otherwise required by the Corporations Act, any other law, the ASX Listing Rules or the Ramelius Constitution.

## 5.5 Ramelius Options

Each Ramelius option confers on its holder the right to subscribe for one Ramelius Share at a specified exercise price and subject to specified vesting conditions (**Ramelius Options**).

Number of Ramelius Options	Exercise Price	Expiry date	Details of issue	Currently exercisable
1,500,000	\$0.20	11 June 2020	Options vested on 11 June 2018	Yes

## 5.6 Ramelius Performance Rights

Each Ramelius performance right confers on its holder the right to acquire one Ramelius Share for a nil subscription price subject to certain vesting conditions (**Ramelius Performance Rights**). The Ramelius Performance Rights are subject to the terms and conditions of Ramelius' Performance Rights Plan.

Ramelius Performance Rights are subject to vesting conditions related to the achievement of total shareholder returns (**TSR**) and period of service. Ramelius TSR performance is measured against the TSR of a benchmark peer group and the proportion of Performance Rights that vest is dependent on how Ramelius' TSR compares to the peer group.

Details of the existing Ramelius Performance Rights are as follows:

Number of Ramelius Performance Rights	Vesting Date	Expiry
500,000	Vested	11 June 2026
505,564	Vested	1 July 2024
466,640	Vested	1 July 2025
532,529	Vested	1 July 2026
3,387,333	1 July 2020	1 July 2027
3,758,508	1 July 2021	1 July 2028
2,716,978	1 July 2022	1 July 2029
322,342	1 July 2020	1 July 2027
644,683	1 July 2022	1 July 2029

#### 5.7 Ramelius Directors' interests in Ramelius securities

As at the date of this Bidder's Statement, the extent to which Ramelius Directors have a Relevant Interest in any Ramelius securities, is as follows:

Director	Class of security interest	Number	Nature of security interest
Kevin James Lines	Ramelius Shares	1,000,000	Indirect
Mark William Zeptner	Ramelius Shares	1,500,000	Direct
		12,500	Direct and Indirect
		1,500,000	Indirect
	Ramelius Options	1,500,000	Indirect
	Ramelius Performance Rights	500,000	Direct
Michael Andrew Bohm	Ramelius Shares	400,000	Direct
		237,500	Indirect

Other than to the extent set out above, no Director has any interest in any Ramelius Securities.

#### 5.8 Substantial holders in Ramelius Shares

As at the close of trading on 24 February 2020, so far as known to Bidder, Ramelius has been notified that the following persons have a Substantial Holding of 5% or more in Ramelius Shares:

Substantial holder	Person's votes	Voting Power
Ruffer LLP	50,392,723	7.65%
Van Eck Associates Corporation	36,388,598	5.53%

## 6. PROFILE OF SPECTRUM AND SPECTRUM GROUP

### 6.1 Overview of Spectrum Metals Limited

Spectrum Metals Limited (ASX:SPX) is an Australian gold exploration company focussing on developing brown-fields gold assets in Western Australia, leveraging existing development infrastructure and existing high-grade gold mineralisation with under-drilled potential.

Spectrum's principal asset is the 100% owned Penny West Gold Project, located 25km south of the Youanmi Mining Centre, 150km south-east of Ramelius' Mt Magnet mining and processing operations and approximately 550km north-east of Perth in Western Australia.

The Penny West Gold Project was discovered in 1990 and produced 91.4koz @ 18.1 g/t Au between 1991 and 1992. Spectrum acquired the project for \$50,000 cash and \$950,000 scrip in December 2018 and commenced drilling focussing primarily on an area north of the original open pit. Initial assays from the Phase 1 drilling program were received in March 2019, with the results of hole SPWRC002 assaying 14m @ 14.4 g/t Au from 124m downhole including 8m @ 23.3 g/t Au from 128m at a prospect now known as Penny North.<sup>20</sup>

Spectrum also owns the First Hit Gold Project, located 50km west of the town of Menzies in Western Australia.

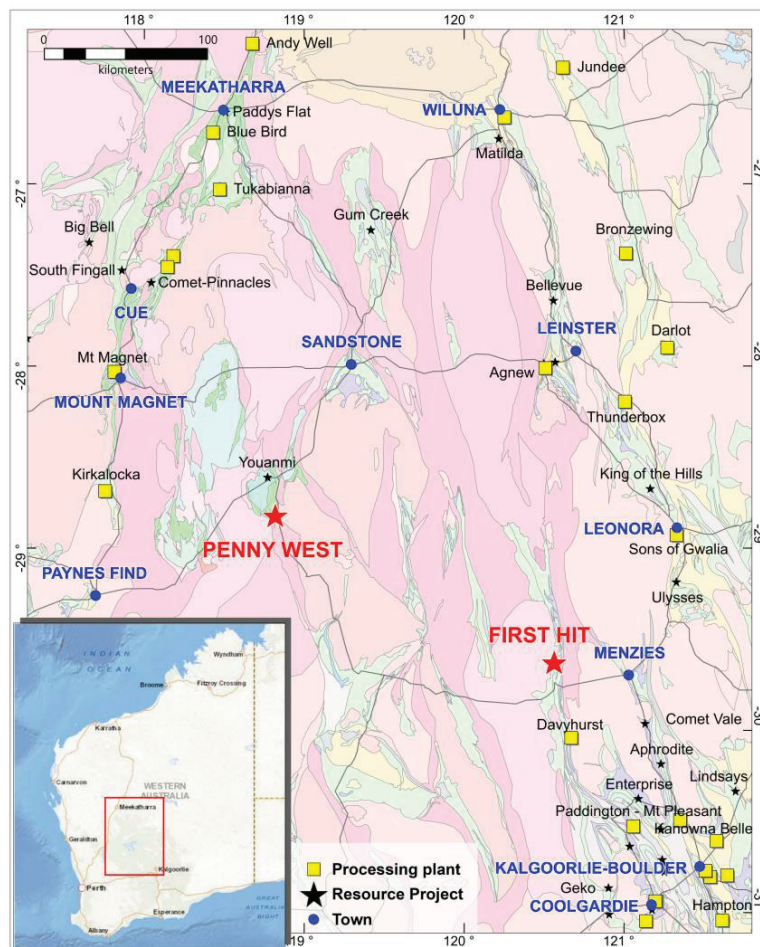


Figure 6.1.1: Location of the Penny West Gold Project

<sup>20</sup> As announced in Spectrum's ASX announcement on 5 March 2019.



## 6.2 Spectrum's Mineral Resources and Ore Reserves

The following Mineral Resource Statement is from the public announcement made by Spectrum on 24 October 2019 and includes all drilling results received up to and including 14 October 2019. The estimate has delineated a zone of high-grade gold mineralisation at Penny North with 569 kt @ 16.8 g/t Au for 306,800oz and has confirmed the remnant mineralisation at Penny West with a total Mineral Resource estimate of 799 kt @ 13.8 g/t Au for 355,500oz. Bidder and Ramelius have not independently verified this information.

The high-grade lodes within the deposit are visually identifiable due to the presence of well-developed and highly-tabular quartz-sulphide vein. The Penny North and Penny West lodes are spatially separate and have been separately modelled and estimated.

A Maiden Mineral Reserve Statement is expected during the March Quarter 2020.

**Table 6.2.1 - Mineral Resource Statement - Penny North**

Mineral Resource estimate	Tonnes (t)	Au Grade (g/t)	Contained Au (Oz)
Indicated	414,000	18.6	247,000
Inferred	155,000	12.0	59,800
<b>TOTAL</b>	<b>569,000</b>	<b>16.8</b>	<b>306,800</b>

**Table 6.2.2 - Mineral Resource Statement - Penny West**

Mineral Resource estimate	Tonnes (t)	Au Grade (g/t)	Contained Au (Oz)
Indicated	54,000	12.1	21,100
Inferred	93,000	5.1	15,400
<b>TOTAL</b>	<b>147,000</b>	<b>7.7</b>	<b>36,400</b>

**Table 6.2.3 - Mineral Resource Statement - Minor Zones**

Mineral Resource estimate	Tonnes (t)	Au Grade (g/t)	Contained Au (Oz)
Indicated	-	-	-
Inferred	82,000	4.6	12,300
<b>TOTAL</b>	<b>82,000</b>	<b>4.6</b>	<b>12,300</b>

## 6.3 Exploration

Spectrum has completed several reverse circulation holes at the Magenta Columbia prospect, located 1.5km to the north of Penny North and along strike within the Penny West Shear. These holes have extended the mineralised structure down dip from the previous drilling in the early 1990's and the three holes drilled by Spectrum as part of its Phase 1 RC drilling program in February/March 2019.

The 1.4km between the Magenta Columbia prospect and Penny North is currently untested and the Penny North Project remains open at depth.

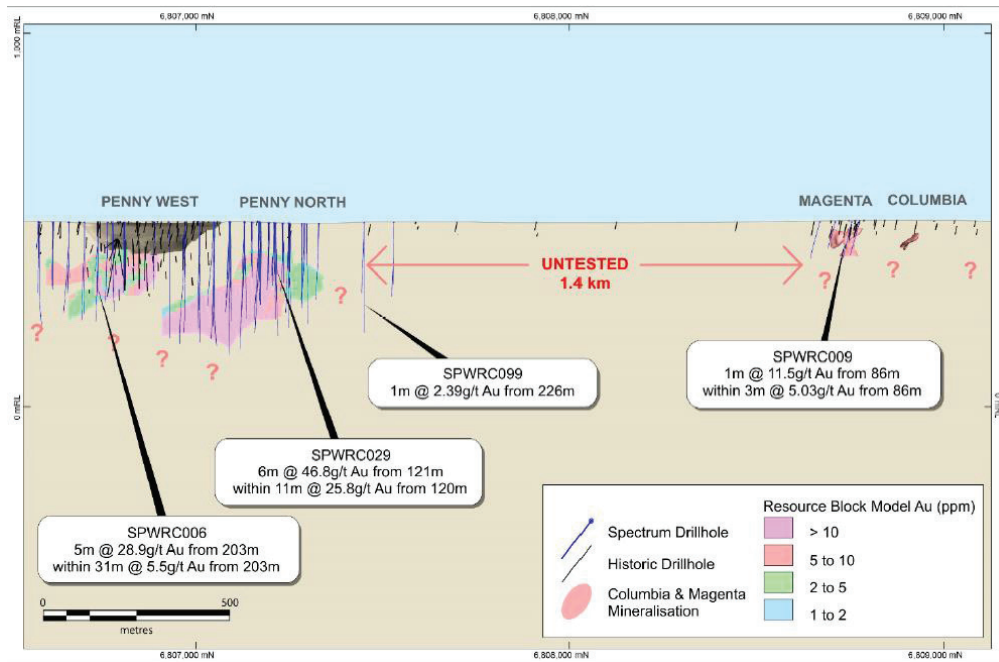


Figure 6.3.1: Long section from Penny West to Columbia Magenta showing untested zone

#### 6.4 Spectrum Directors

The Spectrum Directors as at the date of this Bidder's Statement are as follows.

- (a) Alexander Hewlett (Executive Chairman);
- (b) Paul Adams (Managing Director);
- (c) James Croser (Technical Director);
- (d) Nader El Sayed (Non-Executive Director); and
- (e) Les Davis (Non-Executive Director).

#### 6.5 Publicly available information about the Spectrum Group

Spectrum is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Spectrum is subject to the Listing Rules which require continuous disclosure of any information Spectrum has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

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

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

## 7. INFORMATION ON SPECTRUM'S SECURITIES

### 7.1 Spectrum's issued securities

As at the date of this Bidder's Statement, Spectrum's issued securities consisted of<sup>21</sup>:

- (a) 1,405,515,165 Spectrum Shares; and
- (b) 136,000,000 Spectrum Options.

### 7.2 Spectrum Options

The Spectrum Options comprise of:

Number of Spectrum Options	Exercise Price	Expiry date
15,000,000	\$0.01	4 May 2023
42,500,000	\$0.015	30 June 2021
10,000,000	\$0.015	31 May 2023
6,500,000	\$0.015	30 June 2023
13,333,332	\$0.025	26 March 2022
13,333,332	\$0.030	26 March 2022
13,333,336	\$0.035	26 March 2022
15,000,000	\$0.081	9 August 2022
2,000,000	\$0.100	30 November 2022
2,500,000	\$0.110	30 November 2022
2,500,000	\$0.120	30 November 2022

Under the terms of the Bid Implementation Agreement, Ramelius has agreed to make offers to each holder of Spectrum Options (outstanding at the time of making the Offers), prior to the Offer being declared unconditional, to acquire their Spectrum Options at an agreed valuation between Ramelius and Spectrum.

Spectrum Optionholders may exercise their Spectrum Options and accept the Offer in respect of the Spectrum Shares issued.

The Offer will extend to Spectrum Shares issued on the exercise of Spectrum Options after the Register Date but before the end of the Offer Period, provided those Spectrum Options were on issue as at the Register Date.

### 7.3 Substantial holders in Spectrum Shares

So far as is known to Bidder, based on publicly available information lodged with ASX, the following persons have a Substantial Holding of 5%, or more, of Spectrum Shares:

Substantial holder	Persons votes	Voting power
Patina Resources Pty Ltd	120,909,091	8.60%
1832 Asset Management L.P.	113,814,000	8.21%
Anthony Barton and Associates	107,500,000	7.65%
Chalice Gold Mines Ltd	97,148,016	6.91%

<sup>21</sup> See Spectrum's ASX announcement of their Appendix 3B on 2 December 2019.

## 7.4 Bidder's interests and dealings in Spectrum securities

### (a) Bidder's interests in Spectrum Shares

As at the date of this Bidder's Statement and the date of the Offer, Bidder has a Relevant Interest in 68,541,238 Spectrum Shares and a voting power of 4.88% in Spectrum.

Between 8 August 2019 and 18 September 2019, the Bidder and its Associates purchased Spectrum Shares on market for a weighted average price of \$0.096 per Spectrum Share.

### (b) Bidder dealings in Spectrum Shares

Neither Bidder nor any Associate of Bidder has provided, or agreed to provide, consideration for a Spectrum Share under any purchase or agreement during the 4 months before the date of this Bidder's Statement.

## 7.5 Spectrum Directors' interests in Spectrum securities

So far as Bidder is aware based on publicly available information lodged on ASX, as at the date of this Bidder's Statement, the Spectrum Directors have the following interests in Spectrum securities.

Director	Class of security interest	Number	Nature of security interest
Alexander Hewlett	Spectrum Shares	16,866,666	Indirect
	Spectrum Options	20,000,000	Indirect
Paul Adams	Spectrum Shares	8,484,848	Indirect
	Spectrum Options	10,000,000	Direct
		10,000,000	Indirect
James Croser	Spectrum Shares	11,115,757	Indirect
	Spectrum Options	15,000,000	Indirect
Nader El Sayed	Spectrum Shares	-	-
	Spectrum Options	14,500,000	Indirect
Les Davis	Spectrum Shares	4,000,000	Indirect
	Spectrum Options	7,000,000	Indirect

## 7.6 Recent share price performance of Spectrum

The latest recorded sale price of Spectrum Shares on ASX before the Announcement Date was \$0.099 as at close of trading on ASX on 7 February 2020.

The latest recorded sale price of Spectrum Shares on ASX on the date before this Bidder's Statement was lodged with ASIC was \$0.15 on 24 February 2020.

The highest recorded sale price of Spectrum Shares on the ASX in the four months before the date of this Bidder's Statement was lodged with ASIC was \$0.1575 on 24 February 2020.

The lowest recorded sale price of Spectrum Shares on the ASX in the four months before the date of this Bidder's Statement was lodged with ASIC was \$0.058 on 7 November 2019 and 11 November 2019.

The following chart shows the last sale price of Spectrum Shares on ASX in the 12 months prior to the Announcement Date.

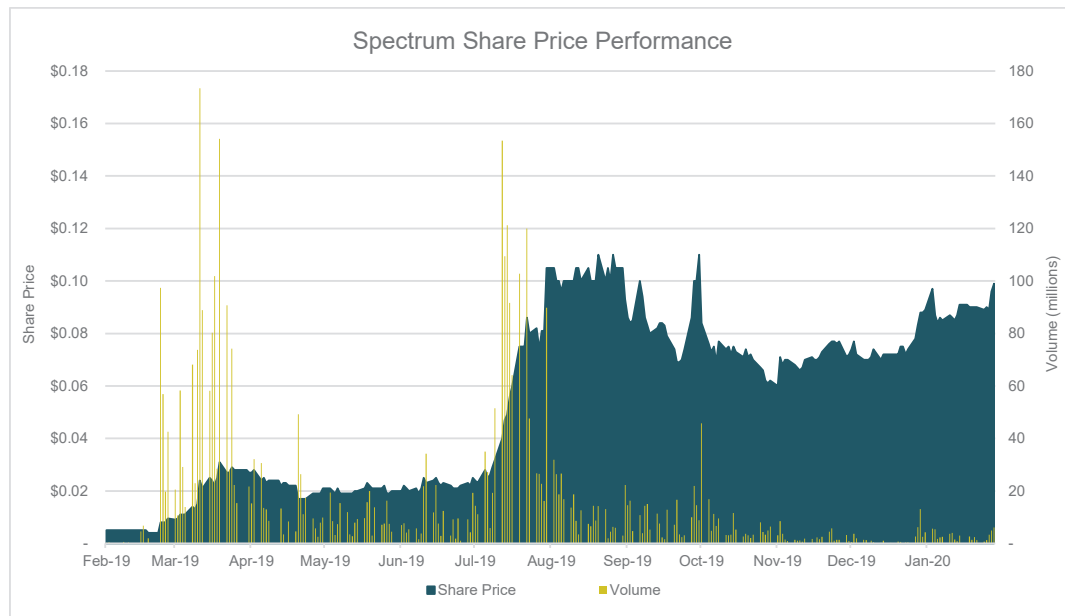


Figure 7.6.1: Spectrum 12 month share price history.

### 7.7 No pre-Offer benefits

During the period of 4 months before the date of this Bidder's Statement, neither Bidder nor any Associate of Bidder gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- (a) accept the Offer; or
- (b) dispose of Spectrum Shares,

and which is not offered to all holders of Spectrum Shares under the Offer.

During the period from the date of this Bidder's Statement to the date before the date of the Offer, neither Bidder nor any Associate of Bidder gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- (a) accept the Offer; or
- (b) dispose of Spectrum Shares,

and which is not offered to all holders of Spectrum Shares under the Offer.

### 7.8 No escalation agreements

Neither Bidder nor any Associate of Bidder has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

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## 8. RAMELIUS' INTENTIONS IN RELATION TO SPECTRUM

### 8.1 Overview

The Bidder is a wholly owned subsidiary of Ramelius. The intentions of Ramelius with respect to Spectrum are set out in this section of the Bidder's Statement. Those intentions have been formed based on facts and information concerning Spectrum, and the general business environment, which are known at the time of preparing this Bidder's Statement. The statements set out in these sections are statements of current intention only and may vary as new information becomes available or circumstances change.

The following apply in relation to all of Ramelius' statements of intention.

- (a) Ramelius' current intentions are summarised in this Bidder's Statement. To the extent that any of the intentions set out in this Bidder's Statement change materially before the close of the Offer as a result of new information coming to the attention of Ramelius, Ramelius will, to the extent necessary make supplementary disclosure about such material change.
- (b) The Review referred to in this section 8 of this Bidder's Statement will be an important step in informing and determining Ramelius' approach to its investment in Spectrum, including the potential integration of the Penny West Gold Project into Ramelius' existing operations.
- (c) The precise circumstances surrounding Ramelius' ability to pursue the outcomes of the Review may not necessarily be known until the close of the Offer and are difficult to predict or pre-empt with any certainty at this stage.
- (d) The implementation of Ramelius' intentions in the event that it has a Relevant Interest in less than 100% of Spectrum Shares will be subject to the Corporations Act (including those provisions intended for the protection of minority shareholders), the Listing Rules, the Spectrum constitution and the statutory and fiduciary obligations of the Spectrum Directors at that time to act in the best interests of Spectrum and all Spectrum Shareholders, as well as the extent of Ramelius' representation on the Spectrum Board and its shareholding at the relevant time. The extent of Ramelius' representation on the Spectrum Board together with its shareholding in Spectrum (at the close of the Offer) will determine the regulatory requirements for, and other practical matters associated with, implementing Ramelius' intentions. Replacement Spectrum Board members have not been finally decided by Ramelius and their identity will depend on the circumstances at the relevant time. However, it is expected that any replacement Spectrum Board members will be current directors or management of Ramelius.
- (e) Ramelius' ability, therefore, to achieve some of its intentions, including the development, and potential integration of the Penny West Gold Project with the operations of Ramelius (including in particular the Mt Magnet facilities), might not be able to be realised, either at all or without the approval of the Spectrum Board and potentially Spectrum Shareholders.
- (f) Ramelius and its Associates may also be excluded from voting on certain resolutions in general meeting, and Ramelius' nominee directors may potentially be precluded from voting at Spectrum Board meetings, to the extent of any conflict of interest. Further, in circumstances where a minority shareholder maintains a "blocking stake" or other substantial holding in Spectrum which provides them with a significant proportion of the Spectrum shares which are not held by Ramelius, then that shareholder's ability to determine the outcome of any such resolutions put to Spectrum Shareholders in general meeting may be disproportionate to its holding (for example, where that shareholder's holding in Spectrum is such that they alone could determine whether a resolution is passed or not, in circumstances where Ramelius and its Associates are excluded from voting on that resolution).
- (g) If the circumstances outlined in section 8.1(f) above eventuate, it may become possible that the potential benefits of developing the Penny West Gold Project in combination with utilising the facilities at Mt Magnet are not supported by the other Spectrum Directors and potentially Spectrum Shareholders (other than Ramelius). This could delay the development of, or potentially increase risks associated with, the Penny West Gold Project on a standalone basis and, accordingly, the potential risks for minority Spectrum Shareholders. This potential outcome could apply for so long as any Spectrum Shareholder (other than Ramelius) maintains a "blocking stake" or a substantial shareholding in Spectrum. Ramelius is not able

to predict what the sentiments of other Spectrum Directors or remaining Spectrum Shareholders may be in any given situation.

## 8.2 Review

Should Ramelius acquire control of Spectrum, it intends to undertake a review of the Penny West Gold Project to determine how best to integrate the Penny West Gold Project into Ramelius' existing operations, including Mt Magnet (**Review**) and to identify the optimal pathway to first cash flow from the Penny West Gold Project. Concurrently, Ramelius intends to continue exploration activities on the Penny West tenements.

The conclusions and outcomes reached in the Review, as well as any new results from exploration activities, will inform Ramelius' preferred approach to developing and operating the Penny West Gold Project. The outcome of the Review will be provided to the Spectrum Board, and any Ramelius nominee on the Spectrum Board will act in accordance with their duties and obligations.

The Review will consider the economics of the Penny West Gold Project by combining it with the Ramelius existing operations at Mt Magnet. The Review would encompass specific items including:

- (a) review of the current Mineral Resource at the Penny West Gold Project and prepare an update if required;
- (b) identify and undertake the additional studies required in order to generate an Ore Reserve at the Penny West Gold Project;
- (c) maintain exploration activities to confirm and potentially expand upon the already identified mineralisation; and
- (d) identify additional targets on the tenement package that warrant additional exploration activity to determine future potential development projects.

## 8.3 Employees and directors of Spectrum

### *Employees*

As a result of implementing Ramelius' intentions (as set out in this section and dependent on Ramelius' voting power in Spectrum at the time), the status of Spectrum's existing employees will be considered as part of the review outlined above. Ramelius currently wishes to retain certain employees with geological knowledge and understanding of the Penny West Gold Project. Ramelius will look to engage with each such employee and agree appropriate terms of employment on terms no less favourable to their existing terms of employment.

Should the Review result in the need for fewer Spectrum employees not linked to the Penny West Gold Project, Ramelius will seek to redeploy those Spectrum employees into other parts of the Ramelius business, where practicable. Any Spectrum employees impacted by the actions implemented by Ramelius will be treated in accordance with their contractual and other legal rights.

### *Spectrum Board*

Pursuant to the Bid Implementation Agreement, upon the Offer becoming unconditional and Ramelius having a relevant interest in 50.1% in Spectrum, Ramelius will have the right to appoint such number of nominees to the Spectrum Board as to constitute a majority. If any of Ramelius' nominees are appointed to the Spectrum Board, Ramelius will use its reasonable endeavours to ensure that its nominees to the Spectrum Board comply with their obligations and duties under the Corporations Act, the ASX Listing Rules and Spectrum constitution. Consistent with these obligations and duties, Ramelius' nominee directors may be potentially precluded from voting on resolutions before the Spectrum Board to the extent of any conflict of interest or material personal interest that arises in respect of the subject matter of those resolutions.

In a scenario where Ramelius controls Spectrum, but holds less than 90%, it would seek representation on the Spectrum Board. Necessarily, that objective may involve the replacement of some or all of the existing Spectrum Directors. The identity of any such existing Spectrum Directors would be determined at the relevant time.

The identity of the Ramelius nominees has not yet been determined but, it is expected that they will predominantly be drawn from the current directors and management of Ramelius.

## **8.4 Intentions if Ramelius acquires a relevant interest in 90% or more of Spectrum Shares**

Set out below are Ramelius' intentions if Bidder acquires a Relevant Interest in 90% or more of Spectrum Shares.

If during, or at the end of, the Offer Period:

- (a) Ramelius and its Associates together have Relevant Interests in at least 90% (by number) of all the Spectrum Shares; and
- (b) Ramelius and its Associates have acquired at least 75% (by number) of the Spectrum Shares for which the Offers are made under the Offer,

Ramelius will be entitled to compulsorily acquire all outstanding Spectrum Shares and presently intends to do so. Following completion of such compulsory acquisition process, Spectrum would be a wholly-owned subsidiary of Ramelius and Ramelius would be entitled to exercise its rights as the sole shareholder of Spectrum.

### *Likely combination with Mt Magnet Operations*

Ramelius will investigate and if it is considered the optimum outcome, implement the development of the Penny West Gold Project by utilising the existing facilities at Mt Magnet in line with the Review. The final manner, extent and timing of such utilisation will be part of the Review.

### *Compulsory Acquisition of Spectrum Shares and removal from official list*

If, as a result of the Offer, Ramelius becomes entitled to compulsorily acquire outstanding Spectrum Shares or securities convertible into Spectrum Shares under the Corporations Act, Ramelius presently intends to proceed with compulsory acquisition of those securities.

In circumstances where Ramelius becomes entitled to compulsorily acquire outstanding Spectrum Shares, Ramelius intends to procure that Spectrum is removed from the official list of ASX.

### *Spectrum Board*

Ramelius intends to replace all members of the Spectrum Board with its own nominees. The identity of such nominee directors has not yet been finally determined, but it is expected they will be drawn from the current directors and management of Ramelius.

### *Future employment of Spectrum current employees*

In the short-term, pending the outcome of the Review and except as specified otherwise in this section 8, Ramelius intends to retain certain Spectrum employees who will continue to be responsible for the day-to-day management and operations of the Penny West Gold Project. Any Spectrum employees impacted by actions implemented following the Review will be treated in accordance with their contractual and other legal rights.

As part of its Review, Ramelius will assess the on-going operational needs of Spectrum. Should the Review result in the need for fewer Spectrum employees not linked to the Penny West Gold Project, Ramelius will seek to redeploy those Spectrum employees into other parts of the Ramelius business, where practicable.

## **8.5 Intentions for Spectrum as a part-owned controlled entity**

Set out below are Ramelius' current intentions if, at the end of the Offer Period, Bidder has a Relevant Interest of more than 50%, but less than 90%, of all of the Spectrum Shares.

Ramelius would have a controlling interest in Spectrum and will be actively involved in influencing the strategic direction of the business of Spectrum to the greatest extent that it is permitted by law.

If Ramelius acquires a Relevant Interest in more than 50% of Spectrum Shares (but less than 90%), it will be able to determine alone the outcome of ordinary resolutions (in respect of which it is entitled to vote) and will be in a position to control the composition of the Spectrum Board. However, in these circumstances, the provisions of the Corporations Act, the Listing Rules, the Spectrum constitution and the statutory and fiduciary obligations of the Spectrum Directors will continue to apply and may constrain Ramelius' ability to realise the proposed outcomes of the Review. If Ramelius acquires at least 75% of Spectrum Shares (but less than 90%), it will also be able to determine the outcome of special resolutions (in respect of which it is entitled to vote). Such special resolutions could involve amendments to the Spectrum constitution or a change to company type. However, again, the



shareholder protections mentioned above would continue to be applicable.

#### *Likely combination with Mt Magnet*

Ramelius will investigate and if it is considered the optimum outcome, seek Spectrum Board and if required, Spectrum Shareholder approval to implement the development of the Penny West Gold Project by utilising the existing facilities at Mt Magnet in line with the Review. The final manner, extent and timing of such utilisation will be part of the Review.

#### *Removal from official list*

If Ramelius acquires a majority position in Spectrum through Bidder but is not able to move to compulsory acquisition of the remaining Spectrum Shares and convertible securities, Ramelius intends to investigate the removal of Spectrum from the official list of ASX (if it becomes entitled to do so).

ASX Guidance Note 33 indicates that Spectrum Shareholder approval is not usually required for the removal of Spectrum from the official list of ASX where the usual conditions are satisfied.

The usual conditions include:

- (a) Ramelius' removal request follows a successful takeover bid but no later than one month after the close of the takeover bid;
- (b) Ramelius and its Related Bodies Corporate own or control at least 75% of Spectrum Shares;
- (c) there are fewer than 150 Spectrum Shareholders who have a holding of Spectrum Shares with a value of at least \$500 (excluding Ramelius and its Related Bodies Corporate); and
- (d) the Takeover Bid remains open for at least two weeks following Ramelius and its Related Bodies Corporate satisfying (b) above.

If the conditions contemplated above are satisfied, Ramelius may send a notice to all remaining Spectrum Shareholders advising them of the nominated time and date at which Spectrum would be removed from the official list of ASX, being a date not earlier than three months after the date the notice was given (**Removal Date**). This notice to remaining Spectrum Shareholders would also state that:

- (a) if the remaining Spectrum Shareholders wish to sell their Spectrum Shares on ASX, they must do so before the Removal Date; and
- (b) if the remaining Spectrum Shareholders do not sell their Spectrum Shares on ASX before the Removal Date, they will only be able to sell their Spectrum Shares off-market from that time.

Those remaining Spectrum Shareholders who do not sell their Spectrum Shares on ASX before the Removal Date would face risks associated with the potential reduced liquidity of an unlisted Spectrum Share.

If the conditions contemplated above are not met, Ramelius may still request that ASX remove Spectrum from the official list of ASX. ASX's guidance indicates that ASX's decision to act on Ramelius' request may be subject to the satisfaction of certain conditions. The ASX imposed conditions are to ensure that the interests of remaining Spectrum Shareholders are not unduly prejudiced by the removal and that trading in Spectrum Shares takes place in an orderly manner up to the date of its removal from the official list.

ASX's guidance also indicates that (in some cases) these conditions may include the approval of Spectrum Shareholders to the removal by way of an ordinary resolution. If Spectrum Shareholder approval is sought within 12 months after the end of the Offer Period, Ramelius and its Associates may be excluded from voting on the resolution approving the removal.

#### *Spectrum Board*

Ramelius intends to (subject to the formal requirements of the Corporations Act and of the Spectrum constitution) procure the appointment of a majority of Ramelius nominees to the Spectrum Board.

The identity of such nominee directors has not yet been finally determined, but it is expected that they will be predominantly drawn from the current directors and management of Ramelius.

#### *Operations, assets and employees*

Ramelius will seek to procure that Spectrum's new board of directors implements the results of the

Review to the extent possible and appropriate in the circumstances.

*Further acquisition of Spectrum Shares*

Any future purchases of Spectrum Shares by Ramelius or Bidder will depend upon the level of acceptances achieved under the Offer and all other relevant circumstances at the time. Each of Ramelius and Bidder reserves its rights to, but makes no commitment to, further acquisitions of Spectrum Shares following completion of the Offer in any manner permitted by the Corporations Act.

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## **9. EFFECT OF THE OFFER ON RAMELIUS GROUP AND PROFILE OF THE COMBINED ENTITY**

### **9.1 Introduction**

This section 9 provides a description of the effect of the Offer on the Ramelius Group and a profile of the Combined Entity, assuming that Spectrum becomes a wholly-owned subsidiary of Ramelius. If Bidder does not acquire at least 90% of the Spectrum Shares during the Offer Period and therefore does not become entitled to compulsorily acquire the remainder of the Spectrum Shares, some of the benefits that would otherwise accrue to Ramelius if Spectrum were to become a wholly-owned subsidiary of Ramelius may not be fully realised.

For further information in this regard please see section 8.5 of this Bidder's Statement.

### **9.2 Synergies**

As described in section 8.2 of this Bidder's Statement, Ramelius intends to conduct a Review of Spectrum's operations at both a strategic and financial level with a view to integrating Spectrum's operations into Ramelius' operational and corporate structure. This is likely to involve:

- (a) detailed review of the development plans for the Penny West Gold Project in conjunction with the medium to long term development options at Mt Magnet;
- (b) closure of the Spectrum head office and relocation of the some of the activities carried out in this office to Ramelius' Perth office; and
- (c) further review of the Spectrum exploration database and expenditure requirements and integration with the exploration activities of the Combined Entity.

Ramelius is of the view that its Review will identify synergies that will result in cost savings for the Combined Entity. The quantification of these savings will only be capable of determination upon the completion of the Review. Please see section 8 of the Bidder's Statement for further information with respect to Ramelius' intentions and the Review.

### **9.3 Prospects of the Combined Entity**

The rationale for this Offer, being the addition of Spectrum's assets with those of Ramelius, is in line with the strategy of acquiring value accretive projects near existing operating mines, in particular the production centre at Mt Magnet.

Subject to the Review outlined in section 8.2, the combination of these assets should enable the most optimal development profile for the Penny West Gold Project.

The current financial strength of Ramelius will enable an efficient deployment of capital to develop the Penny West Gold Project through the Mt Magnet processing facility without the impost of significant debt or equity dilution that may occur if the assets did not have a common owner.

### **9.4 Effect of the Offer on Combined Entity's Mineral Resources and Ore Reserves Information**

As described in this Bidder's Statement, Ramelius had total Mineral Resources of 4,100,000 ounces of gold and Ore Reserves of 840,000 ounces of gold, as at 30 June 2019. Spectrum has reported Mineral Resources of 355,500 ounces of gold.

A simple addition of the currently reported Mineral Resources and Ore Reserves of the two companies gives combined Mineral Resources of 4,455,500 ounces of gold and combined Ore Reserves of 840,000 ounces of gold. However, it should be noted that Ramelius intends to re-estimate the Spectrum Mineral Resources using the same estimation practices and assumptions used by Ramelius at its other projects.

This re-estimation process could lead to a change in the Spectrum Mineral Resources and the presentation of an initial Ore Reserve statement for the Penny West Gold Project.

### **9.5 Effect of the Offer on the Combined Entity's capital structure**

Under the Offer, Ramelius is offering to issue Ramelius Shares to Spectrum Shareholders (other than Foreign Spectrum Shareholders and Unmarketable Parcel Shareholders). Ramelius has the capacity to issue the maximum number of Ramelius Shares which it may be required to issue under the Offer. No shareholder approvals or third party consents are required for the issue of the Ramelius Shares.

The effect of the Offer on the capital structure of Ramelius on a post-completion basis is set out in the table below:

Securities	Numbers
<b>Shares</b>	
Current Ramelius Shares <sup>1</sup>	658,470,383
Maximum Ramelius Shares to be issued under the Offer <sup>2</sup>	133,697,393
Total	792,167,776
<b>Options</b>	
Maximum number of Ramelius Shares to be issued assuming all Spectrum Options are exercised	13,600,000
<b>Total</b>	
Maximum Potential Number of Ramelius Shares post Offer <sup>3</sup>	805,767,776

Notes:

1. The rights attaching to the Ramelius Shares are summarised in section 5.4 of this Bidder's Statement.
2. Assuming a 100% take up under the Offer and that no Spectrum Options are exercised.
3. Assuming 100% take up under the Offer and that all Spectrum Options are exercised.

## 9.6 Pro forma financial information for the Combined Entity

The pro-forma financial information of the Combined Entity set out below is provided for illustrative purposes only. The pro-forma financial information of the Combined Entity provides an overview of the effects of the transaction assuming that Bidder acquires 100% of Spectrum Shares on completion of the transaction.

The Ramelius information in the pro-forma consolidated statement of financial position for the Ramelius Group is based on the financial statements as at 31 December 2019. The financial statements were reviewed by Deloitte Touche Tohmatsu. A copy of Ramelius' half-year financial statements can be found on its website: [www.rameliusresources.com.au](http://www.rameliusresources.com.au)

The Spectrum information in the pro-forma consolidated statement of financial position for the Spectrum Group is based on the financial statements as at 31 December 2019. The financial statements are based on the management accounts of Spectrum which have not yet been reviewed by Spectrum's auditor. While the management accounts are not available, a copy of Spectrum's lodged financial statements for the year ending 30 June 2019 can be found on its website: [www.spectrummetals.com.au](http://www.spectrummetals.com.au)

The pro-forma balance sheet is unaudited and is based on numerous assumptions that may or may not reflect the actual financial position of the Combined Entity.

The pro-forma financial information presented in this section should also be read in conjunction with the risks set out in section 11 of this Bidder's Statement.

Pro-Forma Financial Position \$'000	RMS 31 Dec 19 (Reviewed)	SPX 31 Dec 19 Management Accounts (Unaudited)	SPX Pro-Forma Adjustments (1)	Transaction (2)	Consolidation (3)	Merged Group
<b>Current Assets</b>						
Cash & cash equivalents	61,948	5,696	3,375	(27,041)	-	43,978
Trade & other receivables	5,539	85	-	-	-	5,624
Inventories	60,843	-	-	-	-	60,843
Other assets	5,906	-	-	-	-	5,906
<b>Total Current Assets</b>	<b>134,236</b>	<b>5,781</b>	<b>3,375</b>	<b>(27,041)</b>	<b>-</b>	<b>116,351</b>
<b>Non-Current Assets</b>						
Other assets	1,145	31	-	-	-	1,176
Investments in subsidiary	5,141	-	-	234,946	(240,087)	-
Property, plant, & equipment	78,557	365	-	-	-	78,922
Development assets	128,103	-	-	-	-	128,103
Exploration & Evaluation	106,552	7,499	-	-	223,903	337,954
<b>Total Non-Current Assets</b>	<b>319,498</b>	<b>7,895</b>	<b>-</b>	<b>234,946</b>	<b>(16,184)</b>	<b>546,155</b>
<b>Total Assets</b>	<b>453,734</b>	<b>13,676</b>	<b>3,375</b>	<b>207,905</b>	<b>(16,184)</b>	<b>662,506</b>
<b>Current Liabilities</b>						
Trade & other payables	49,166	867	-	12,000	-	62,033
Lease Liabilities	14,864	-	-	-	-	14,864
Provisions	6,965	-	-	-	-	6,965
<b>Current liabilities</b>	<b>70,995</b>	<b>867</b>	<b>-</b>	<b>12,000</b>		<b>83,862</b>
<b>Non-Current Liabilities</b>						
Lease Liabilities	15,113	-	-	-	-	15,113
Provisions	46,749	-	-	-	-	46,749
Contingent consideration	12,739	-	-	-	-	12,739
Deferred tax liabilities	16,168	-	-	-	-	16,168
<b>Total Non-Current Liabilities</b>	<b>90,769</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90,769</b>
<b>Total Liabilities</b>	<b>161,764</b>	<b>867</b>	<b>-</b>	<b>12,000</b>	<b>-</b>	<b>174,631</b>
<b>Net Assets</b>	<b>291,970</b>	<b>12,809</b>	<b>3,375</b>	<b>195,905</b>	<b>(16,184)</b>	<b>487,875</b>
<b>Equity</b>						
Share Capital	214,423	34,255	4,225	195,905	(38,480)	410,328
Reserves	(8,070)	2,444	-	-	(2,444)	(8,070)
Retained Earnings/(Losses)	85,617	(23,890)	(850)	-	24,740	85,617
<b>Total Equity</b>	<b>291,970</b>	<b>12,809</b>	<b>3,375</b>	<b>195,905</b>	<b>(16,184)</b>	<b>487,875</b>

Notes to pro-forma financial information for the Combined Entity table

1. Change in SPX Pro-Forma Cash Position

Spectrum's cash position has been increased by \$4,225,000 being the proceeds assumed to be received on conversion of all Spectrum Options, and then reduced by \$850,000 being the funds used for a settlement with Venus Metals Limited.

2. Transaction Entry

Recognition of investment in Spectrum as a subsidiary of Ramelius. Consideration calculated from the issue of 147,297,393 new shares in Ramelius at \$1.33 and a cash payment of \$25,041,000 or \$0.017 per Spectrum Share and assuming that all of the Spectrum Options are exercised. Transaction costs are expected to total \$14 million which includes \$2 million upfront and an estimate of \$12 million for stamp duty which is shown as a current liability.

3. Consolidation Entry

Elimination of the investment in the subsidiary with the uplift in net assets being disclosed as Exploration and evaluation expenditure.

## **9.7 Forecast financial information for the Combined Entity**

Ramelius has given consideration as to whether a reasonable basis exists to produce reliable and meaningful information in relation to the Combined Entity and has concluded that a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable. This is mainly due to the intention to conduct the Review and the fact that the Spectrum assets (including the Penny West Gold Project) are at an early stage of development and a reasonable basis does not exist for forecasting production and cost guidance or financial information for these assets.

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## **10. SOURCES OF OFFER CONSIDERATION**

### **10.1 Total consideration**

The consideration for the acquisition of Spectrum Shares to which the Offer relates will be satisfied partly by the issue of Ramelius Shares and partly by the payment of cash. The maximum number of Ramelius Shares which would become payable under the Offer if acceptances are received in respect of all Spectrum Shares on issue as at the date of this Bidder's Statement is approximately 133,697,393.

In addition, if all holders of Spectrum Options on issue as at the date of this Bidder's Statement exercise their Spectrum Options and accept the Offer in respect of the Spectrum Shares issued to them during the Offer Period, then an additional amount of approximately 13,600,000 Ramelius Shares would become payable. If this additional number of Ramelius Shares also becomes payable, the total number of Ramelius Shares which would become payable under the Offer is approximately 147,297,393 (see section 9.5 above).

Ramelius has the capacity to issue the maximum number of Ramelius Shares which it may be required to issue under the Offer.

If acceptances are received for all Spectrum Shares on issue as at the date of this Bidder's Statement, the amount of cash that Bidder would be required to pay under the Offer would be approximately \$22,729,000.

In addition, if holders of all Spectrum Options on issue as at the date of this Bidder's Statement exercise their Spectrum Options and accept the Offer in respect of the Spectrum Shares issued to them during the Offer Period, an additional \$2,312,000 will be payable by Bidder under the Offer.

Accordingly, the maximum amount of cash that Bidder could be required to pay under the Offer is approximately \$25,041,000, excluding transaction costs.

### **10.2 Sources of cash consideration**

The cash consideration payable under the Offer will be provided from existing cash reserves of Ramelius, which will be made available to Bidder.

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## 11. KEY RISKS ASSOCIATED WITH THE OFFER

### 11.1 Introduction

If the Offer becomes unconditional, Spectrum Shareholders who accept the Offer will become Ramelius Shareholders<sup>22</sup>, and Bidder will acquire an interest in Spectrum. In that event, Spectrum Shareholders will continue to be indirectly exposed to the risks associated with having an interest in Spectrum's assets and general economic, share market and industry risks. There are also additional risks relating to the Offer and the Combined Entity, to which Spectrum Shareholders will be exposed through their holding of Ramelius Shares.

### 11.2 General risks

#### (a) Economic conditions

Factors such as (but not limited to) political movements, stock market trends, interest rates, inflation levels, commodity prices, foreign exchange rates, industrial disruption, environmental impacts, international competition, taxation changes and legislative or regulatory changes, may all have an adverse impact on Ramelius' operating costs, profit margins and share price. These factors are beyond the control of Ramelius and Ramelius cannot, to any degree of certainty, predict how they will impact on Ramelius.

Prolonged deterioration in general economic conditions could potentially have an adverse impact on Ramelius and its operations.

#### (b) Share market conditions

Share market conditions may affect the value of Ramelius Shares regardless of Ramelius' operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and mining stocks in particular. Neither Ramelius nor the Ramelius Directors warrant the future performance of Ramelius or any return on an investment in Ramelius.

#### (c) Gold mining industry conditions

Ramelius prepares its business plan using estimates of production and financial performance based on a range of assumptions and forecasts. There is uncertainty in these assumptions and forecasts, and risk that variation from them could result in actual performance being different to expected outcomes. The uncertainties arise from a range of factors, including the nature of the gold mining industry. Some of these risks are outlined below.

#### (d) Fluctuations in the gold price and Australian dollar

Ramelius' revenues are exposed to both fluctuations in the US dollar gold price and the Australian dollar. Volatility in the gold price and Australian dollar creates revenue uncertainty and requires careful management of business performance to ensure that operating cash margins are maintained should the Australian dollar gold price fall.

Declining gold prices can also impact operations by requiring a reassessment of the feasibility of mine plans and certain projects and initiatives. The development of new ore bodies, commencement and timing of open pit cutbacks, commencement of development projects and the ongoing commitment to exploration projects can all potentially be impacted by a decline in the prevailing gold price. Even if a project is ultimately determined to be

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<sup>22</sup> If you are a Foreign Spectrum Shareholder or an Unmarketable Parcel Shareholder, you will not receive Ramelius Shares as part of the Offer Consideration. Please see sections 12.15 and 13.7 of this Bidder's Statement for further details.



economically viable, the need to conduct such a reassessment could potentially cause substantial delays and/or may interrupt operations, which may have a material adverse effect on Ramelius' results of operations and financial condition.

(e) **Ore Reserves and Mineral Resources**

Ore Reserves and Mineral Resources are estimates and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of gold will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralisation or geological conditions may be different from those predicted. No assurance can be given that any part or all of the Mineral Resources constitute or will be converted into Ore Reserves.

Market price fluctuations of gold as well as increased production and capital costs may render Ore Reserves unprofitable to develop at a particular site or sites for periods of time or may render Ore Reserves containing relatively lower grade mineralisation uneconomic. Estimated reserves may have to be re-estimated based on actual production experience. Any of these factors may require a reduction in the Ore Reserves and Mineral Resources, which could have a negative impact on its financial results and the expected operating life of the Combined Entity's mines.

(f) **Replacement of depleted Ore Reserves and Mineral Resources**

Ramelius must continually replace Ore Reserves and Mineral Resources depleted by production to maintain production levels over the long term. Ore Reserves and Mineral Resources can be replaced by expanding known ore bodies, locating new deposits or making acquisitions. Exploration is highly speculative in nature. Exploration projects involve many risks and are frequently unsuccessful. There is no assurance that Ramelius' current or future exploration programs will be successful. Also, if a discovery is made, it may take several years from the initial phases of drilling until production is possible.

There is a risk that depletion of Ore Reserves and Mineral Resources will not be offset by discoveries or acquisitions or that divestitures of assets will lead to a lower reserve base. The Ore Reserve and Mineral Resource base of the Combined Entity may decline if reserves and resources are mined without adequate replacement and the Combined Entity may not be able to sustain production beyond the current mine lives, based on current production rates.

(g) **Geological and geotechnical conditions**

There is a risk that unforeseen geological and geotechnical difficulties may be encountered when developing and mining Ore Reserves, such as unusual or unexpected geological conditions, pit wall failures, rock bursts, seismicity and cave-ins. In any of these events, a loss of revenue may be caused due to the lower than expected production and/or higher than anticipated operation and maintenance costs and/or on-going unplanned capital expenditure in order to meet production targets.

(h) **Production and cost estimates**

The ability of Ramelius to achieve production targets or meet operating and capital expenditure estimates on a timely basis cannot be assured. The assets of the Combined Entity, as any others, are subject to uncertainty with ore tonnes, grade, metallurgical recovery, geotechnical conditions, operational environment, funding for development, regulatory changes, accidents and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment.

Ramelius prepares estimates of future production, cash costs and capital costs of production for its operations. No assurance can be given that such estimates will be achieved. Failure to achieve production or cost estimates or material increases in costs could have an adverse impact on Ramelius' future cash flows, profitability, results of operations and financial condition.

Costs of production may also be affected by a variety of factors, including: changing waste-to-ore ratios, ore grade, metallurgy, labour costs, cost of commodities, general inflationary pressures and currency exchange rates.

Unforeseen production cost increases could result in Ramelius not realising its operational or development plans or in such plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on Ramelius' financial and operational performance.

(i) **Agreements with Third Parties**

Ramelius is and will be subject to various contracts and agreements with third parties. There is a risk of financial failure or default by a counterparty to these arrangements. Any breach or failure may lead to penalties or termination of the relevant contract. In addition, Ramelius' interest in the relevant subject matter may be jeopardised.

(j) **Hedging risk**

Ramelius has hedging agreements in place for the forward sale of fixed quantities of gold production from its operations. There is a risk that Ramelius may not be able to deliver the amount of gold required under its hedging arrangements if, for example, there is a production shortage. In this event, Ramelius' financial performance may be adversely affected.

Under the hedging agreements, rising gold prices could result in part of Ramelius' gold production being sold at less than the prevailing spot price at the time of sale.

(k) **Regulatory risks**

Ramelius' operations are subject to various Federal, State and local laws and plans including those relating to mining, prospecting, development, permit and licence requirements, industrial relations, environment, land use, royalties, water, native title and cultural heritage, land access, mine safety and occupational health.

Approvals, licences and permits required to comply with such rules may, in some instances, be subject to the discretion of the applicable government or government officials, and, in some cases, the local community. No assurance can be given that Ramelius will be successful in obtaining any or all of the various approvals, licences and permits or maintaining such authorisations in full force and effect without modification or revocation. To the extent such approvals are required and not retained or obtained in a timely manner or at all, Ramelius may be curtailed or prohibited from continuing or proceeding with production and exploration.

(l) **Landholder access and Native Title**

The grant and exercise of rights under mining tenements can be affected by the type of underlying land ownership (for example, whether private (freehold) land or subject to a pastoral lease) and the nature of any improvements or other activities being conducted on that land.

In addition, some of the Combined Entity's tenements are located within areas that are the subject of claims or applications for native title determination. The Native Title Act 1993 (Cth) and related State native title legislation and aboriginal heritage legislation may affect the ability to obtain access to certain exploration areas or to obtain mining production titles.

While access issues are faced by many mining companies and are a common aspect of mining project development, the ability to negotiate satisfactory commercial arrangements with landowners, farmers, occupiers and native title groups is important.

The Combined Entity may be required to pay land compensation to land owners and others who have an interest in the area covered by mining tenements. The ability to resolve compensation issues and compensation costs involved may have an impact on the timing of access to land and, as such, the future development and financial performance of operations. The degree to which this may impact on activities will depend on a number of factors, including the status of particular tenements and their locations. At this stage, Ramelius is not able to quantify the impact, if any, of such matters on its operations.

(m) **Weather and climatic conditions**

Some of Ramelius' sites and operations may from time to time be subject to severe storms and high rainfall leading to flooding and associated damage which may result in delays to or loss of production.

(n) **Insurance risk**

Ramelius currently maintains insurance coverage. No assurance can be given that Ramelius will continue to be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover all claims.

(o) **Environmental risks**

Mining and exploration have inherent risks and liabilities associated with safety and damage to the environment, including the disposal of waste products occurring as a result of mineral exploration and production, giving rise to potentially substantial costs for environmental rehabilitation, damage control and losses.

Ramelius is subject to environmental laws and regulations in connection with its operations and could be subject to liability due to risks inherent in its activities, including unforeseen circumstances.

In particular, the disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. Approvals are required for land clearing and ground disturbing activities. Delays in obtaining such approvals could result in the delay to Ramelius' anticipated mining or exploration activities.

(p) **Loss of Key Personnel**

Ramelius' success depends on the competencies of its Directors and senior management. The loss of one or more of the Directors or senior management could have an adverse effect on Ramelius' business, financial position and results of operations. The resulting impact from such an event would depend on the quality of any replacement.

(q) **Community relations**

Ramelius has an established community relations function, both at a corporate level and at each of the operations. Ramelius has developed a community engagement framework, including a set of principles, policies and procedures designed to provide a structured and consistent approach to community activities across its sites whilst recognising that, fundamentally, community relations is about people connecting with people. Ramelius recognises that a failure to appropriately manage local community stakeholder expectations may lead to dissatisfactions which have the potential to disrupt production and exploration activities.

### **11.3 Risks relating to the Offer and the Combined Entity**

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

Spectrum Shareholders are being offered consideration under the Offer that comprises a specified number of Ramelius Shares, rather than a number of Ramelius Shares with a specified market value. As a result, the value of the consideration will fluctuate depending upon the market value of the Ramelius Shares.

(b) **Integration risks**

The extent to which Ramelius may integrate the business and assets of Spectrum will be impacted on by the level of acceptances under the Offer. Please see section 8 of this Bidder's Statement for further information in this regard.

There are also risks that any integration between the businesses of the Ramelius Group and Spectrum Group may take longer than expected and that anticipated efficiencies and benefits of that integration may be less than estimated. These risks include possible inability to achieve synergy benefits and cost savings.

(c) **Risks associated with retention of a minority stake**

There are some risks associated with the Offer for Spectrum Shareholders who do not accept the Offer and remain Spectrum Shareholders.

If, in connection with or following the Takeover Bid, Bidder acquires between 90% and 100% of the Spectrum Shares, Bidder may be entitled to compulsorily acquire the remaining shares of the Spectrum Shareholders and intends to do so.

If, in connection with or following the Takeover Bid, Bidder acquires more than 50.1% but less than 90% of the Spectrum Shares, Bidder will hold a controlling interest in Spectrum. The remaining Spectrum Shareholders will be in a minority position in a company with a large controlling shareholder whose objectives for the company may differ from their own. They could also encounter a lower level of liquidity in Spectrum Shares than exists today, which could result in a lower price for those Spectrum Shares should they wish to sell them in the future.

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## 12. ADDITIONAL INFORMATION

### 12.1 Bid Implementation Agreement

On 9 February 2020, Ramelius and Spectrum entered into the Bid Implementation Agreement pursuant to which Ramelius agreed to make the conditional off-market Offer for all Spectrum Shares that Ramelius does not currently own. A full copy of the Bid Implementation Agreement was released to ASX on 10 February 2020.

Key terms of the Bid Implementation Agreement are detailed below:

- (a) **(Bid Conditions)** The Offer is subject to several Bid Conditions. These Bid Conditions are detailed in full at section 13.8 of this Bidder's Statement.
- (b) **(Spectrum Options)** Prior to the Offer becoming unconditional Ramelius must make an offer to acquire all of the Spectrum Options or seek consent for the cancellation of such options on terms materially consistent with the Offer.
- (c) **(Board Appointment)** Subject to Ramelius declaring the Offer (or the Offer otherwise becoming) unconditional and Ramelius having acceptances of at least 50.1% of all Target Shares, Ramelius will have the right to appoint such number of directors so as to comprise a majority on the Spectrum Board.
- (d) **(Conduct of Business)** During the exclusivity period (expiring at the end of the Offer Period), Spectrum must conduct its business in the ordinary course, in accordance with all applicable laws and regulations and consistent with the Budget and Work Program.
- (e) **(Variation)** The Bid Implementation Agreement provides that Ramelius may vary the Offer in any manner permitted by the Corporations Act so far as the terms are no less favourable to Spectrum Shareholders than the Agreed Bid Terms (detailed at Schedule 3 of the Bid Implementation Agreement). Further, Ramelius may declare the bid unconditional and extend the Offer Period.
- (f) **(Compensating Amount)** Spectrum have agreed to compensate Ramelius \$750,000 where, among other things, Spectrum enters into, approves or recommends, any agreement regarding a Competing Proposal, the Spectrum Directors fail to make the recommendation referred to above or is in breach of the Bid Implementation Agreement.
- (g) **(Exclusivity)** Subject to the Fiduciary Exception at section 12.1(i) below, Spectrum has agreed to exclusivity obligations. The Bid Implementation Agreement contains no shop, no talk and no due diligence restrictions on Spectrum. During the exclusivity period (expiring at the end of the Offer Period), Spectrum warrants that, amongst other things:
  - (i) it is not, other than the discussions with Ramelius in respect of the Takeover Bid, in negotiations or discussions 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 Takeover Bid,with any Third Party and has ceased any such discussions or negotiations to the extent that they were on foot prior to the date of Bid Implementation Agreement;
  - (ii) will not 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) will not directly or indirectly engage in or participate in any discussions or negotiations, 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 Spectrum or any of its Related Persons or that Third Party has publicly announced the Competing Proposal;

- (iv) 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 Spectrum, its Subsidiaries, or any of their businesses, 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 of approaches)** During the Exclusivity Period, Spectrum must, within 2 Business Days, with all material details of the relevant event, provide to Ramelius information regarding:
  - (i) any approach, inquiry or proposal made by any Third Party to Spectrum or any Related Person, 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 Spectrum or any Related Person for any information relating to Spectrum, its Subsidiaries, or any businesses, 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 Spectrum or any Related Person of any information relating to Spectrum or any of its Subsidiaries or any of their businesses, Tenements, assets or operations to any Third Party in connection with or for the purposes of any actual, proposed or potential Competing Proposal.
- (i) **(Fiduciary exception)** The restrictions detailed at 12.1(g) above do not apply extent that it restricts Spectrum from responding to a written bona fide actual, proposed or potential Competing Proposal, provided the Spectrum 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 Spectrum Board.

Before Spectrum can rely on this fiduciary exception, the Spectrum 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 Spectrum Director.
- (j) **(Warranties)** Both Ramelius and Spectrum have provided standard warranties to one another.
- (k) **(Termination)** Standard termination clauses have been agreed to in the Bid Implementation Agreement. Further, Ramelius may terminate the Bid Implementation Agreement:
  - (i) a Superior Proposal is made or publicly announced by a Third Party;
  - (ii) Spectrum accepts or enters into or offers to accept or enter into, any agreement arrangement or understanding regarding a Competing Proposal;
  - (iii) any Spectrum Director fails to make, withdraws or adversely modifies the unanimous recommendation of the Spectrum Directors;
  - (iv) any Spectrum Director fails to accept or procure the acceptance of the Bid in respect of all Spectrum Shares that they hold or in which they have a Relevant Interest in; or
  - (v) any Spectrum Director fails to make, withdraws or adversely modifies the public statement to be made.

## 12.2 Loan Agreement

On 9 February 2020, Ramelius and Spectrum entered into Loan Agreement pursuant to which Ramelius agreed to provide an interest free unsecured loan of \$3 million to be used exclusively for working capital purposes in accordance with the agreed Budget and Work Program and on the following terms and conditions (**Loan**).

- (a) (**Repayment of Loan**) Subject to 12.2(b) below, Spectrum must repay the Loan on the earlier of:
  - (i) 4 months from the date of the Bid Implementation Agreement, being 9 February 2020, or such later date as the parties agree, acting reasonably; and
  - (ii) an Event of Default occurring.
- (b) (**Early Repayment**) If Spectrum issues securities (including any instrument capable of conversion into securities or any securities issued upon the exercise of any existing securities) then Spectrum will immediately apply any and all funds received from the issue of such securities in repayment or reduction of the Loan.
- (c) (**Voluntary Repayment**) Spectrum may repay all or part of the Loan on any date with Ramelius' prior written consent.
- (d) (**Event of Default**) The following are Events of Default under the Loan Agreement:
  - (i) (**Misrepresentation**) Any warranty or statement made or repeated in or in connection with the Loan Agreement document by Spectrum or in relation to the Spectrum Group is untrue or misleading or becomes untrue or misleading when taken as a whole;
  - (ii) (**Winding Up**) An application or order is made, or resolution is passed, for the winding up of any member of the Spectrum Group or for the appointment of a liquidator;
  - (iii) (**Receiver**) A receiver, controller or analogous person is appointed to, or takes possession of all, or any part of the assets of any member of the Spectrum Group;
  - (iv) (**Insolvency**) Any member of the Spectrum Group:
    - (A) suspends payments to creditors generally;
    - (B) becomes an externally-administered body corporate within the meaning of the Corporations Act;
    - (C) becomes subject to administration under Part 5.3A of Chapter 5 of the Corporations Act, or steps are taken which could reasonably be expected to result in Spectrum becoming so subject; or
    - (D) is or states that it is, or is deemed by applicable law to be, unable to pay its debts as and when they fall due;
  - (v) (**Suspension**) The shares of Spectrum are suspended by the ASX under Listing Rule 17.2 or 17.3 for a period of more than 5 trading days (as defined by ASX) in aggregate between the date of the Loan Agreement and the repayment date;
  - (vi) (**Reduction of capital**) Any member of the Spectrum Group taking action to reduce its capital or buy back any of its shares or other securities;
  - (vii) (**Further indebtedness**): Any member of the Spectrum Group incurring or agreeing to incur any further indebtedness other than creditors in the ordinary course of ordinary business and not incurring or agreeing to incur any indebtedness (either under one document or a series of similar agreements) for an aggregate amount of greater than \$250,000 except to the extent included in the Budget and Work Program;
  - (viii) (**Encumbrance**) Other than in the ordinary course of ordinary business, any member of the Spectrum Group granting or creating any encumbrance, mortgage or similar over any or all of its assets;
  - (ix) (**Remuneration**): Without the prior written consent of Ramelius, any member of the Spectrum Group paying or agreeing to pay any bonus or redundancy amount to any

director or officer except to the extent required by law and in any event consistent with the ASX Listing Rules and the Corporations Act;

- (x) **(Good standing)** Any member of the Spectrum Group not maintaining any or all of its assets in good standing;
  - (xi) **(Disposal of assets)** Without the prior consent of Ramelius, any member of the Spectrum Group selling, disposing or granting to any third party, (including by way of joint venture or similar) any interest in any of its assets (or agreeing to do any of those things) except to the extent included in the Budget and Work Program;
  - (xii) **(Payment limit)** Without the prior written consent of Ramelius, any member of the Spectrum Group pays to any party an amount exceeding \$250,000 either in one transaction or a series of transactions except to the extent included in the Budget and Work Program;
  - (xiii) **(Breach of Agreement)** Spectrum is in material breach of the Loan Agreement and (if capable of being rectified) Spectrum fails to rectify that breach within 5 Business Days of written notice from Ramelius; or
  - (xiv) **(Bid Implementation Agreement)** Ramelius being entitled to terminate the Bid Implementation Agreement for any reason, other than where the Takeover Bid is prohibited or restrained permanently by a Government Agency or where Ramelius withdraws the Takeover Bid or the Takeover Bid lapses for any reason, provided that in the latter case, Ramelius did not withdraw the Takeover Bid or allow the Takeover Bid to lapse as a result of the actions or otherwise of Spectrum (including the breach of or failure to satisfy a Bid Condition).
- (e) **(Representations and Warranties)** The Loan Agreement is subject to several standard representations and warranties.

### 12.3 Date for determining holders of Shares

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) is the Register Date.

### 12.4 Details on Bidder

Under the Bid Implementation Agreement, Ramelius exercised its right to offer to acquire the Spectrum Shares through its wholly owned subsidiary, Bidder, on the basis that Ramelius guarantees Bidder's performance.

Bidder's directors are existing Ramelius directors Mr Kevin Lines (Chairman) and Mr Mark Zeptner (Managing Director). Mr Richard Jones is Bidder's company secretary. For further information on these officers, please refer to sections 4.6(a), 4.6(b) and 4.7(e) respectively of this Bidder's Statement.

As a wholly-owned subsidiary of Ramelius and a member of the Ramelius Group, Bidder does not prepare individual financial reports as its financial position and performance is included in Ramelius' consolidated financial reports.

### 12.5 Broker handling fee

Bidder may offer to pay a commission to brokers who solicit acceptances of the Offer from their clients, however has made no final decision in relation to the matter at this stage. If Bidder makes a decision to offer such a commission to brokers, it will make an announcement to ASX confirming this.

If such arrangements are put in place, commission payments will not exceed 0.75% of the value of the consideration payable for parcels of Spectrum Shares held by retail Spectrum Shareholders who accept the Offer, and will be subject to minimum payments (not exceeding \$50) and maximum payments (not exceeding \$750) for each Spectrum Shareholder.

If a commission is offered, it will be payable to brokers only and subject to the condition that no part of the fee will be able to be passed on or paid to Spectrum Shareholders.

It is Bidder's intention that, once an offer of commission has been made to any broker by Bidder, the commission arrangement will remain in place for the balance of the Offer Period and the amount of the commission offered will not be increased during the Offer Period.



## 12.6 Status of defeating conditions

The Offer is subject to a number of conditions set out in section 13.8. The Bidder will provide updates on any material developments relating to the status of these conditions through announcements to the ASX.

The Bidder is not aware of any events or circumstances which would result in the non-fulfillment of any of the defeating conditions.

## 12.7 Consents

This Bidder's Statement contains statements made by, or statements said to be based on statements made by, Ramelius. Ramelius has consented to the inclusion of:

- (a) each statement it has made and
- (b) each statement which is said to be based on a statement it has made,

in the form and context in which the statements appear and has not withdrawn that consent as at the date of this Bidder's Statement.

The following persons have given, and have not, before the date of this Bidder's Statement (being the date this Bidder's Statement is lodged with ASIC), withdrawn their consent to be named in this Bidder's Statement in the form and context in which they are so named:

- (a) Allion Partners Pty Limited as Ramelius' legal adviser for the Offer; and
- (b) Adelaide Equity Partners Limited as Ramelius' financial adviser for the Offer.

Other than as specifically outlined above, each party referred to in this section 12.7 has not caused or authorised the issue of this Bidder's Statement and does not make or purport to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based and takes no responsibility for any part of this Bidder's Statement other than any reference to its name.

References to Computershare Investor Services Pty Ltd, Deloitte Touche Tohmatsu and Grant Thornton Australia Limited appear for information purposes only.

This Bidder's Statement also includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements, free of charge, during the Offer Period, and within 2 business days of the request, please contact the Offer Information Line on 1300 352 261 (within Australia) or +61 3 9415 4301 (from outside of Australia), Monday to Friday between 8.30am to 5.30pm (AEDT). Calls to these numbers may be recorded.

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

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

In addition, as permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Bidder's Statement contains share price trading data sourced from Weblink and the ASX official website.

## 12.8 Competent Persons statement

The information in this Bidder's Statement that relates to Ramelius Mineral Resources and Ore Reserves is extracted from the announcements titled "Resources and Reserves Statement 2019" released on ASX on 10 September 2019 and "Major increase to Eridanus Mineral Resource" released on ASX on 23 December 2019, based on information compiled by Rob Hutchison (Mineral Resources) and Duncan Coutts (Ore Reserves), who are Competent Persons and Members of The Australasian Institute of Mining and Metallurgy. Rob Hutchison and Duncan Coutts are full-time employees of Ramelius. Rob Hutchison and Duncan Coutts have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Rob Hutchison and Duncan Coutts consent

to the inclusion in this Bidder's Statement of the matters based on their information in the form and context in which it appears.

Ramelius is not aware of any new information or data that materially affects the information and, in the case of estimates of Mineral Resources or Ore Reserves, considers that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

## **12.9 Social security and superannuation implications of Offer**

Acceptance of the Offer may have implications under your superannuation arrangements or on your social security entitlements. If in any doubt, you should seek specialist advice.

## **12.10 Disclosure of interests of certain persons**

Other than as set out elsewhere in this Bidder's Statement no:

- (a) Director of Ramelius or Bidder;
- (b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- (c) promoter of Ramelius or Bidder; or
- (d) underwriter to the issue of Ramelius Shares or financial services licensee named in this Bidder's Statement as being involved in the issue of Ramelius Shares,

(together, the **Interested Persons**) holds at the date of this Bidder's Statement or held at any time during the last two years, any interest in:

- (a) the formation or promotion of Ramelius or Bidder;
- (b) property acquired or proposed to be acquired by Ramelius or Bidder in connection with its formation or promotion, or the offer of Ramelius Shares under the Offer; or
- (c) the offer of Ramelius Shares under the Offer.

## **12.11 Disclosure of fees and benefits received by certain persons**

Other than as set out below or elsewhere in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (a) to a director of Ramelius or Bidder to induce them to become, or to qualify as, a director of Ramelius or Bidder; or
- (b) for services provided by an Interested Person in connection with the formation or promotion of Ramelius or Bidder or the offer of Ramelius Shares under the Offer.

Adelaide Equity Partners Limited has acted as financial adviser to Ramelius in connection with the Offer and is entitled to receive professional fees for these services at the rate of 0.5% of the value of valid Offer acceptances received. Assuming maximum acceptances, the fees will be \$1.156 million (ex GST) together with ongoing fees on a normal commercial basis.

Allion Partners Pty Limited has acted as legal adviser to Ramelius in connection with the Offer and is entitled to receive professional fees for these services estimated to be up to \$190,000 (ex GST) together with ongoing fees on a normal commercial basis.

## **12.12 Disclosure of interests of Directors**

### **(a) Interests in Ramelius securities**

Please refer to section 5.7 of this Bidder's Statement. Bidder is a wholly owned subsidiary of Ramelius and no other party has the right to be issued any securities in Bidder. Please see section 12.4 for further information.

### **(b) Interests in Bidder securities**

Bidder is a wholly owned subsidiary of Ramelius. Please see section 12.4 for further information.

### **(c) Interests in Spectrum securities**

As at the date of this Bidder's Statement, no Director of Ramelius or Bidder has any Relevant Interest in Spectrum securities.

(d) **Indemnity and insurance**

Ramelius has entered into deeds with each of the Ramelius Directors (**Directors' Deeds**) under which:

- (i) Ramelius provides an unlimited and continuing indemnity (to the extent permitted by law) to each Ramelius Director, on a full indemnity basis, against any and all liabilities incurred by the Ramelius Director in respect of or arising out of any act while the Ramelius Director is a director of a Ramelius Group Member and in the course of, or arising out of, the Ramelius Director's role as an officer of a Ramelius Group Member;
- (ii) Ramelius must (to the extent permitted by law and available in the market at reasonable cost) maintain and pay premiums on an insurance policy (**D&O Insurance Policy**) insuring against certain liabilities incurred by a person in their capacity as director or officer of Ramelius and allowing Ramelius to obtain reimbursement for certain claims paid by it to the Ramelius Director under an indemnity for the period (**Relevant Period**) during which the Ramelius Director holds office and for a period of 7 years thereafter or, if a claim is brought within the 7 years after he or she ceases to be a director, until that proceeding is finally determined; and
- (iii) the Ramelius Director has a limited right to access and take copies of Ramelius Group Members' board papers related to the Relevant Period.

In accordance with the Directors' Deeds, Ramelius maintains a D&O Insurance Policy.

The entry into the Directors' Deeds and the maintenance of the D&O Insurance Policy are permitted by the constitution of Ramelius.

### **12.13 Expiry date**

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

### **12.14 Foreign jurisdictions**

The distribution of this Bidder's Statement in jurisdictions outside Australia may be restricted by law, and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. Bidder disclaims all liabilities to such persons.

No action has been taken to register or qualify Bidder or to otherwise permit a public offering of Ramelius Shares outside Australia.

### **12.15 Foreign Spectrum Shareholders and Unmarketable Parcel Shareholders**

Spectrum Shareholders who are Foreign Spectrum Shareholders or Unmarketable Parcel Shareholders will not be entitled to receive Ramelius Shares as consideration for their Spectrum Shares pursuant to the Offer, unless Bidder otherwise determines.

A Spectrum Shareholder is a Foreign Spectrum Shareholder for the purposes of the Offer if their address as shown in the Spectrum's register of members at 5.00pm (WST) on Register Date is in a jurisdiction other than Australia or its external territories or New Zealand. However, such a person will not be a Foreign Spectrum Shareholder if Bidder is satisfied that it is not legally or practically constrained from making the Offer to a Spectrum Shareholder in the relevant jurisdiction and to issue Ramelius Shares to such a shareholder on acceptance of the Offer, and that it is lawful for the shareholder to accept the Offer in such circumstances in the relevant jurisdiction. Notwithstanding anything else in this Bidder's Statement, Bidder is not under any obligation to spend any money, or undertake any action, in order to satisfy itself concerning any of these matters.

A Spectrum Shareholder is an Unmarketable Parcel Shareholder if the total number of Ramelius Shares it would be entitled to on acceptance of the Offer is less than a Marketable Parcel.

The Ramelius Shares which would otherwise have been issued to Foreign Spectrum Shareholders and Unmarketable Parcel Shareholders will instead be issued to a nominee approved by ASIC, who will sell these Spectrum Shares. The net proceeds of the sale of such shares will then be remitted to the relevant Foreign Spectrum Shareholders and Unmarketable Parcel Shareholders. See section 13.7 of this Bidder's Statement for further details.

**12.16 Other material information**

Except as disclosed elsewhere in this Bidder's Statement, there is no other information that is:

- (a) material to the making of a decision by an Spectrum Shareholder whether or not to accept the Offer; and
- (b) known to Ramelius,

which has not previously been disclosed to Spectrum Shareholders.

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## 13. THE TERMS AND CONDITIONS OF THE OFFER

### 13.1 Offer

- (a) Bidder offers to acquire all of Your Spectrum Shares, not only some, on and subject to the terms and conditions set out in this section 13 of this Bidder's Statement.
- (b) The consideration under the Offer is 1 Ramelius Share for every 10 of Your Spectrum Shares plus \$0.017 cash for each of Your Spectrum Shares. If this calculation results in an entitlement to a fraction of a Ramelius Share, that fraction will be rounded up to the nearest whole number of Ramelius Shares.
- (c) If, at the time this Offer is made to you, you are a Foreign Spectrum Shareholder or an Unmarketable Parcel Shareholder, then, despite any other provision of this Offer, you will not receive Ramelius Shares as part of the Offer Consideration. Instead, you will receive a cash amount determined in accordance with section 13.7 of this Bidder's Statement.
- (d) The Ramelius Shares to be issued are ordinary shares in Ramelius and will be credited as fully paid and have the rights summarised in section 5.4 of this Bidder's Statement.
- (e) By accepting this Offer, you undertake to transfer to Bidder not only the Spectrum Shares to which the Offer relates, but also all Rights attached to those Spectrum Shares (see section 13.5(c)(vi) and section 13.6(c)).
- (f) This Offer is being made to each person registered as the holder of Spectrum Shares in the register of Spectrum Shareholders at 5.00pm (WST) on the Register Date. It also extends to:
  - (i) holders of securities that come to be Spectrum Shares during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of rights conferred by, such securities and which are on issue as at the Register Date; and
  - (ii) any person who becomes registered, or entitled to be registered, as the holder of Your Spectrum Shares during the Offer Period.
- (g) If, at the time the Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of Your Spectrum Shares, then:
  - (i) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to that other person in respect of those Spectrum Shares;
  - (ii) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to you in respect of any other Spectrum Shares you hold to which the Offer relates; and
  - (iii) this Offer will be deemed to have been withdrawn immediately at that time.
- (h) If at any time during the Offer Period you are registered or entitled to be registered as the holder of one or more parcels of Spectrum Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct offer on the same terms and conditions as this Offer had been made in relation to each of those distinct parcels and any distinct parcel you hold in your own right. To validly accept the Offer for each parcel, you must comply with the procedure in section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call the Offer Information Line on 1300 352 261 (within Australia) or +61 3 9415 4301 (from outside of Australia), Monday to Friday between 8.30am to 5.30pm (AEDT) to request those additional copies.
- (i) If Your Spectrum Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting the Offer.
- (j) The Offer is dated 28 February 2020.

## 13.2 Offer Period

- (a) Unless withdrawn, the Offer will remain open for acceptance during the period commencing on the date of this Offer and ending at 5.00pm (WST) on the later of:
  - (i) 30 March 2020; or
  - (ii) any date to which the Offer Period is extended.
- (b) Bidder reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- (c) If, within the last 7 days of the Offer Period, either of the following events occurs:
  - (i) the Offer is varied to improve the consideration offered; or
  - (ii) Bidder's voting power in Spectrum increases to more than 50%,then the Offer Period will be automatically extended so that it ends 14 days after the relevant event in accordance with section 624(2) of the Corporations Act.

## 13.3 How to accept this Offer

- (a) **General**
  - (i) Subject to section 13.1(g) and section 13.1(h) you may only accept this Offer for all of Your Spectrum Shares, not only some.
  - (ii) You may accept this Offer at any time during the Offer Period.
- (b) **Shares held in your name on Spectrum's issuer sponsored sub-register**

To accept this Offer for all Spectrum Shares held in your name on Spectrum's issuer sponsored sub-register (in which case your Securityholder Reference Number will commence with 'I'), you must:

  - (i) complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
  - (ii) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at one of the addresses shown on the Acceptance Form.
- (c) **Shares held in your name in a CHES Holding**
  - (i) If Your Spectrum Shares are held in your name in a CHES Holding (in which case your Holder Identification Number will commence with 'X') and you are not a Participant, you should instruct your Controlling Participant (for Spectrum Shareholders who are not institutions, this is normally the stockbroker either through whom you bought your Spectrum Shares or through whom you ordinarily acquire shares on the ASX) to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
  - (ii) If Your Spectrum Shares are held in your name in a CHES Holding (in which case your Holder Identification Number will commence with 'X') and you are a Participant, you should initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
  - (iii) Alternatively, to accept this Offer for Spectrum Shares held in your name in a CHES Holding (in which case your Holder Identification Number will commence with 'X'), you may sign and complete the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form and ensure that it (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at one of the addresses shown on the Acceptance Form.
  - (iv) If Your Spectrum Shares are held in your name in a CHES Holding (in which case your Holder Identification Number will commence with 'X'), you must comply with any other applicable ASX Settlement Operating Rules.

(d) **Shares of which you are entitled to be registered as holder**

To accept this Offer for Spectrum Shares which are not held in your name, but of which you are entitled to be registered as holder, you must:

- (i) complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
- (ii) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at one of the addresses shown on the Acceptance Form.

(e) **Acceptance Form and other documents**

- (i) The Acceptance Form forms part of the Offer.
- (ii) If your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned by post, for your acceptance to be valid you must ensure that they are posted or delivered in sufficient time for them to be received by Bidder at one of the addresses shown on the Acceptance Form before the end of the Offer Period.
- (iii) If your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned by facsimile, it will be deemed to be received in time if the facsimile transmission is received (evidenced by a confirmation of successful transmission) before the end of the Offer Period, but you will not be entitled to receive the consideration to which you are entitled until your original Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received at one of the addresses shown on the Acceptance Form.
- (iv) When using the Acceptance Form to accept this Offer in respect of Shares in a CHESS Holding, you must ensure that the Acceptance Form (and any documents required by the terms of this Offer and the instruction on the Acceptance Form) are received in time to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (v) The postage and transmission of the Acceptance Form and other documents is at your own risk.

### **13.4 Validity of acceptances**

- (a) Subject to this section 13.4, your acceptance of the Offer will not be valid unless it is made in accordance with the procedures set out in section 13.3.
- (b) Bidder will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. Bidder is not required to communicate with you prior to or after making this determination. The determination of Bidder will be final and binding on all parties.
- (c) Notwithstanding sections 13.3(b), 13.3(c), 13.3(d) and 13.3(e), Bidder may, in its sole discretion, at any time and without further communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of Your Accepted Shares, even if a requirement for acceptance has not been complied with but the payment of the consideration in accordance with the Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by Bidder.
- (d) Where you have satisfied the requirements for acceptance in respect of only some of Your Accepted Shares, Bidder may, in its sole discretion, regard the Offer to be accepted in respect of those of Your Accepted Shares but not the remainder.
- (e) Bidder will provide the consideration to you in accordance with section 13.6, in respect of any part of an acceptance determined by Bidder to be valid.

### 13.5 The effect of acceptance

- (a) Once you have accepted the Offer for all of Your Spectrum (**Your Accepted Shares**), not only some, you will be unable to revoke your acceptance, the contract resulting from your acceptance will be binding on you and you will be unable to withdraw Your Accepted Shares from the Offer or otherwise dispose of Your Accepted Shares, except as follows:
  - (i) if, by the relevant times specified in section 13.5(b), the conditions in section 13.8 have not all been fulfilled or freed, this Offer will automatically terminate and Your Accepted Shares will be returned to you; or
  - (ii) if the Offer Period is extended for more than one month and the obligations of Bidder to deliver the consideration are postponed for more than 1 month and, at the time, this Offer is subject to one or more of the conditions in section 13.8, you may be able to withdraw your acceptance and Your Accepted Shares in accordance with section 650E of the Corporations Act. A notice will be sent to you at the time explaining your rights in this regard.
- (b) The relevant times for the purposes of section 13.5(a)(i) are:
  - (i) in relation to the condition in section 13.8(n) (prescribed occurrences), the end of the third Business Day after the end of the Offer Period; and
  - (ii) in relation to all other conditions in section 13.8, the end of the Offer Period.
- (c) By signing and returning the Acceptance Form, or otherwise accepting this Offer pursuant to section 13.3, you will be deemed to have:
  - (i) accepted this Offer (and any variation of it) in respect of, and, subject to all of the conditions to this Offer in section 13.8 being fulfilled or freed and agreed to transfer to Bidder all of Your Accepted Shares (including any Rights), subject to section 13.1(g) and section 13.1(h);
  - (ii) represented and warranted to Bidder, as a fundamental condition going to the root of the contract resulting from your acceptance, that at the time of acceptance, and the time the transfer of Your Accepted Shares (including any Rights) to Bidder is registered, that all Your Accepted Shares are and will be free from all mortgages, charges, liens, encumbrances and adverse interests of any nature (whether legal or otherwise) and free from restrictions on transfer of any nature (whether legal or otherwise), that you have full power and capacity to accept this Offer and to sell and transfer the legal and beneficial ownership in Your Accepted Shares (including any Rights) to Bidder, and that you have paid to Spectrum all amounts which at the time of acceptance have fallen due for payment to Spectrum in respect of Your Accepted Shares;
  - (iii) irrevocably authorised Bidder (and any director, secretary, nominee or agent of Bidder) to alter the Acceptance Form on your behalf by inserting correct details relating to Your Accepted Shares, filling in any blanks remaining on the form and rectifying any errors or omissions as may be considered necessary by Bidder to make it an effective acceptance of this Offer or to enable registration of Your Accepted Shares in the name of Bidder;
  - (iv) if you signed the Acceptance Form in respect of Spectrum Shares which are held in a CHESS Holding, irrevocably authorised Bidder (or any director, secretary, nominee or agent of Bidder) to instruct your Controlling Participant to initiate acceptance of this Offer in respect of Your Accepted Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules;
  - (v) if you signed the Acceptance Form in respect of Spectrum Shares which are held in a CHESS Holding, irrevocably authorised Bidder (or any director, secretary, nominee or agent of Bidder) to give any other instructions in relation to Your Accepted Shares to your Controlling Participant, as determined by Bidder acting in its own interests as a beneficial owner and intended registered holder of those Spectrum Shares;



- (vi) irrevocably authorised and directed Spectrum to pay to Bidder, or to account to Bidder for, all Rights in respect of Your Accepted Shares, subject, if this Offer is withdrawn, to Bidder accounting to you for any such Rights received by Bidder;
  - (vii) irrevocably authorised Bidder to notify Spectrum on your behalf that your place of address for the purpose of serving notices upon you in respect of Your Accepted Shares is the address specified by Bidder in the notification;
  - (viii) with effect from the date on which all the conditions to this Offer in section 13.8 have been fulfilled or freed, to have irrevocably appointed Bidder (and any director, secretary or nominee of Bidder) severally from time to time as your true and lawful attorney to exercise all your powers and rights in relation to Your Accepted Shares, including (without limitation) powers and rights to requisition, convene, attend and vote in person, by proxy or by body corporate representative, at all general meetings and all court convened meetings of Spectrum and to request Spectrum to register, in the name of Bidder or its nominee, Your Accepted Shares, as appropriate, with full power of substitution (such power of attorney, being coupled with an interest, being irrevocable);
  - (ix) with effect from the date on which all the conditions to this Offer in section 13.8 have been fulfilled or freed, to have agreed not to attend or vote in person, by proxy or by body corporate representative at any general meeting or any court-convened meeting of Spectrum or to exercise or purport to exercise any of the powers and rights conferred on Bidder (and its directors, secretaries and nominees) in section 13.5(c)(viii);
  - (x) agreed that in exercising the powers and rights conferred by the powers of attorney granted under section 13.5(c)(viii), the attorney will be entitled to act in the interests of Bidder as the beneficial owner and intended registered holder of Your Accepted Shares;
  - (xi) agreed to do all such acts, matters and things that Bidder may require to give effect to the matters the subject of this section 13.5(c) (including the execution of a written form of proxy to the same effect as this section 13.5(c) which complies in all respects with the requirements of the constitution of Spectrum) if requested by Bidder;
  - (xii) agreed to indemnify Bidder in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Securityholder Reference Number or in consequence of the transfer of Your Accepted Shares to Bidder being registered by Spectrum without production of your Holder Identification Number or your Securityholder Reference Number for Your Accepted Shares;
  - (xiii) represented and warranted to Bidder that, unless you have notified it in accordance with section 13.1(h), Your Accepted Shares do not consist of separate parcels of Spectrum Shares;
  - (xiv) irrevocably authorised Bidder (and any nominee) to transmit a message in accordance with Rule 14.17 of the ASX Settlement Operating Rules to transfer Your Accepted Shares to Bidder's Takeover Transferee Holding, regardless of whether it has paid the consideration due to you under this Offer;
  - (xv) agreed, subject to the conditions of this Offer in section 13.8 being fulfilled or freed, to execute all such documents, transfers and assurances, and do all such acts, matters and things that Bidder may consider necessary or desirable to convey Your Accepted Shares registered in your name and Rights to Bidder; and
  - (xvi) agreed to accept the Ramelius Shares to which you have become entitled by acceptance of this Offer subject to the constitution of Ramelius and have authorised Ramelius to place your name on its register of shareholders in respect of those Ramelius Shares.
- (d) The undertakings and authorities referred to in section 13.5(c) will remain in force after you receive the consideration for Your Accepted Shares and after Bidder becomes registered as the holder of Your Accepted Shares.

## 13.6 Payment of consideration

- (a) Subject to sections 13.4(b), 13.6 and 13.7 and the Corporations Act, Bidder will provide the consideration due to you for Your Accepted Shares on or before the earlier of:
- (i) one month after the date of your acceptance or, if this Offer is subject to a defeating condition when you accept this Offer, within one month after this Offer becomes unconditional; and
  - (ii) 21 days after the end of the Offer Period.
- (b) Where the Acceptance Form requires an additional document to be delivered with your Acceptance Form (such as a power of attorney):
- (i) if that document is given with your Acceptance Form, the consideration will be provided in accordance with section 13.6(a);
  - (ii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is subject to a defeating condition, the consideration due to you will be provided on or before the earlier of one month after this Offer becomes unconditional and 21 days after the end of the Offer Period;
  - (iii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is not subject to a defeating condition, the consideration due to you will be provided on or before the earlier of one month after that document is given and 21 days after the end of the Offer Period; or
  - (iv) if that document is given after the end of the Offer Period, and the Offer is not subject to a defeating condition, the consideration will be provided within 21 days after that document is given. However, if at the time the document is given, the Offer is still subject to a defeating condition that relates only to the happening of an event or circumstance referred to in section 652C(1) or (2) of the Corporations Act, the consideration due to you will be provided within 21 days after the Offer becomes unconditional.
- (c) If you accept this Offer and it becomes or is declared unconditional, Bidder is entitled to all Rights in respect of Your Accepted Shares. Bidder may require you to provide all documents necessary to vest title to those Rights in Bidder, or otherwise to give it the benefit or value of those Rights. If you do not give those documents to Bidder, or if you have (or any previous owner of Your Accepted Shares has) received the benefit of those Rights, Bidder will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by Bidder) of those Rights.
- (d) If you have accepted the Offer and you are a Foreign Spectrum Shareholder or an Unmarketable Parcel Shareholder, you will receive your share of the proceeds from the sale of the Ramelius Shares in accordance with section 13.7.
- (e) Payment of any cash amount to which you are entitled under the Offer will be made by cheque in Australian currency. Cheques will be posted to you at your risk by ordinary mail (or in the case of overseas shareholders, by airmail) to the address as shown either, at the discretion of Bidder, on your Acceptance Form, or on the register copy supplied by Spectrum from time to time.
- (f) The obligation of Bidder to cause Ramelius to issue and allot any Ramelius Shares to which you are entitled will be satisfied by Ramelius:
- (i) entering your name on the register of members of Ramelius; and
  - (ii) dispatching or procuring the dispatch to you by pre-paid post to your address recorded in Spectrum's register of members at 5.00pm (WST) on the Register Date, an uncertificated holding statement in your name. If Your Accepted Shares are held in a joint name, an uncertificated holding statement will be issued in the name of, and forwarded to, the holder whose name appears first in Spectrum's register of members at 5.00pm (WST) on the Register Date.

- (g) If at the time you accept the Offer, any authority, clearance or approval is required for you to receive any consideration for Your Accepted Shares, including (but not limited to) any authority, clearance or approval of:
- (i) the Reserve Bank of Australia (whether under the *Banking (Foreign) Exchange Regulations 1959* (Cth) or otherwise);
  - (ii) the Minister for Foreign Affairs (whether under the *Charter of the United Nations Act 1945* (Cth), the *Charter of the United Nations (Dealing with Assets) Regulations 2008* (Cth) or any other regulations made thereunder, or otherwise);
  - (iii) the ATO; or
  - (iv) any other person as required by any other law of Australia that would make it unlawful for any consideration to be provided for Your Accepted Shares,

then you will not be entitled to receive any consideration for Your Accepted Shares until all requisite authorities, clearances or approvals have been received.

### 13.7 Foreign Spectrum Shareholders and Unmarketable Parcel Shareholders

- (a) If you are a Foreign Spectrum Shareholder or an Unmarketable Parcel Shareholder, you will not be entitled to receive Ramelius Shares as part of the Offer Consideration for Your Accepted Shares as a result of accepting this Offer, and Bidder will:
- (i) arrange for the issue to a nominee approved by ASIC (the **Nominee**) of the number of Ramelius Shares to which you and all other Foreign Spectrum Shareholders and Unmarketable Parcel Shareholders would have been entitled but for section 13.1(c). Bidder may arrange for the Ramelius Shares to be issued to the Nominee in tranches. Bidder has the sole and complete discretion as to when and in how many batches to aggregate the Ramelius Shares to be issued as a result of acceptances;
  - (ii) cause the Ramelius Shares so issued to be offered for sale by the Nominee (in one or more tranches) on 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
  - (iii) cause the Nominee to pay to you the amount ascertained in accordance with the formula, being your pro rata share of the proceeds from the Ramelius Shares sold in the relevant sale tranche, less brokerage and sale expenses:

$$\frac{N \times YS}{TS}$$

where:

**N** is the amount which is received by the Nominee upon the sale of the Ramelius Shares in the relevant tranche under this section 13.7 less brokerage and sale expenses;

**YS** is the number of Ramelius Shares which would, but for section 13.1(c), otherwise have been allotted to you; and

**TS** is the total number of Ramelius Shares allotted to the Nominee in the relevant tranche under this section 13.7.

- (b) You will receive your share of the proceeds of the sale of Ramelius Shares by the Nominee in Australian currency.
- (c) 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.
- (d) 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.
- (e) The Nominee may sell the Ramelius Shares in such manner, at such price or prices and on such terms as the Nominee determines. The Nominee will sell the Ramelius Shares on ASX

as soon as practicable and has sole and complete discretion with regards to the number of tranches in which to sell the Ramelius Shares that are issued to them.

- (f) As the market price of Ramelius Shares will be subject to change from time to time, the sale price of the Ramelius Shares sold by the Nominee and the proceeds of those sales cannot be guaranteed. Neither Bidder nor the Nominee gives any assurance as to the price that will be achieved for the sale of the Ramelius Shares by the Nominee.
- (g) The Nominee will be appointed by, and will provide the Nominee services to, Bidder. In acting as Nominee, the Nominee will not be acting as agent or sub-agent of any Foreign Spectrum Shareholder or Unmarketable Parcel Shareholder, does not have duties or obligations (fiduciary or otherwise) to any Foreign Spectrum Shareholder or Unmarketable Parcel Shareholder and does not underwrite the sale of the Ramelius Shares.
- (h) If 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 Spectrum Shares from a Spectrum Shareholder, Bidder will, for any such Spectrum Shareholder:
  - (i) determine the amount to be paid to the Commissioner (**Payment Amount**);
  - (ii) remit the Payment Amount to the Commissioner within the time required under the TAA; and
  - (iii) reduce the amount of consideration payable by Bidder to that Spectrum Shareholder by the Payment Amount for the purposes of this Offer.

For the avoidance of doubt, where the conditions in this section 13.7(h) are satisfied, Bidder will, for the purposes of this Offer, be deemed to have satisfied its obligations to pay the consideration to a Spectrum Shareholder if the amount paid to the Spectrum Shareholder is the amount of the consideration that would have otherwise been payable to the Spectrum Shareholder pursuant to the Offer, less the Payment Amount for that Spectrum Shareholder.

### 13.8 Conditions of this Offer

Subject to section 13.9, the completion of this Offer and any contract that results from an acceptance of this Offer, are subject to the fulfilment or waiver of the conditions set out below before the end of the Offer Period:

(a) **Minimum acceptance**

At the end of the Offer Period, Ramelius has a relevant interest in at least 50.1% of Spectrum Shares then on issue.

(b) **Gold price**

The spot gold price for gold as quoted on Bloomberg does not fall below \$2,000 per ounce at any time during a day for three consecutive days between the Announcement Date and the end of the Offer Period (each inclusive).

Ramelius had agreed to waive this condition in accordance with the disclosure provided at section 13.10(c) of this Bidder's Statement.

(c) **Regulatory approvals and consents**

Before the end of the Offer Period, all approvals or consents that are required by law, by any Government Agency, or by any other third party as are necessary to permit:

- (i) the Offers to be lawfully made to and accepted by the Spectrum Shareholders;
- (ii) the transactions contemplated by this Bidder's Statement to be completed; and
- (iii) Spectrum to be in material compliance with each of its and its Subsidiaries' contracts, permits, licences and other agreements,

are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

(d) **No regulatory action**

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (i) there is not in effect any preliminary or final decision, order or decree issued by any Government Agency;
- (ii) no action or investigation is announced, commenced or threatened by any Government Agency; and
- (iii) no application is made to any Government Agency (other than by Ramelius or any Associate of Ramelius),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offers and the completion of any transaction contemplated by the Bidder's Statement or which requires the divestiture by Ramelius or Bidder of any Spectrum Shares or any material assets of Ramelius or any of its Subsidiaries.

(e) **No persons exercising rights under certain agreements or instruments**

Between the Announcement Date and the end of the Offer Period, no person exercises any rights under any provision of any agreement or other instrument to which a member of the Spectrum Group is a party, or by or to which a member of the Spectrum Group or any of its Assets may be bound or be subject to:

- (i) require monies borrowed by, or other financial accommodation provided to, a member of the Spectrum Group to be paid or repaid immediately or earlier than the repayment or maturity date stated in such agreement or other instrument;
- (ii) terminate or modify any such agreement or instrument or require that any action be taken thereunder (including the acceleration of the performance of any obligation thereunder);
- (iii) terminate or modify the interest of a member of the Spectrum Group in any farm-in, farm-out, partnership, joint venture, trust, corporation or other entity (or any arrangements relating to such interest); or
- (iv) require that any Assets, shares or business of a member of the Spectrum Group be sold, transferred or offered for sale or transfer, including under any pre-emptive rights or similar provisions, as a result of the acquisition of Spectrum Group Shares by Bidder.

(f) **No change of control rights**

Between the Announcement Date and the end of the Offer Period, no person has or will have any right as a result of Bidder making the Offer or announcing its intention to make the Offer, or acquiring Spectrum Shares under the Offer, to:

- (i) acquire, or require the disposal of, or require any entity within the Spectrum Group to offer to dispose of, any Assets, shares or business of any entity within the Spectrum Group;
- (ii) terminate, or vary the terms of performance of, any agreement with any entity within the Spectrum Group; or
- (iii) terminate, or vary the terms of any material approvals, licenses or permits issued by any Government Agency to any entity within the Spectrum Group.

(g) **No material disposals, cancellations or new commitments**

Except for any proposed transaction or item fully and fairly disclosed by Spectrum on the ASX within 6 months prior to the Announcement Date and to the extent included in the Budget and Work Program, none of the following events occur between the Announcement Date and the end of the Offer Period:

- (i) Spectrum or any of its Subsidiaries disposes of, offers to dispose of or agrees to dispose of one or more companies, businesses, Tenements or assets (or any interest in one or more companies, businesses, Tenements or assets) either:
    - (A) for an amount or consideration in excess of \$150,000 (either alone or in aggregate) arising after the Announcement Date; or
    - (B) relating in any way to the Penny West Gold Project;
  - (ii) a member of Spectrum Group enters into or agrees to enter into any purchase, sale, farm-in, farm-out, joint venture or partnership or other agreement (or series of agreements) that requires or is reasonably likely to involve payments, expenditure or the foregoing of revenue, by a member of Spectrum Group in excess of \$250,000 in aggregate with other such matters arising after the Announcement Date; or
  - (iii) a Tenement granted to or held by any member of Spectrum Group is revoked, surrendered, relinquished or terminated or a member of Spectrum Group agrees to the same without there being a reasonable likelihood of such tenement, permit or licence being allowed to continue, renewed or extended on terms which are no less favourable to the member of Spectrum Group.
- (h) **No material adverse change**
- (i) Between the Announcement Date and the end of the Offer Period (each inclusive) none of the following occurs:
    - (A) an event, change, condition, matter or thing occurs or will or is reasonably likely to occur;
    - (B) information is disclosed or announced by Target concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur; or
    - (C) information concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur becomes known to Ramelius (whether or not becoming public),

(each of (A), (B) and (C) a **Specified Event**) which, whether individually or when aggregated with all such, events, changes, conditions, matters or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have:

    - (D) a material adverse effect on the business, assets (including the Tenements), liabilities, financial or trading position, profitability or prospects of the Spectrum Group taken as a whole; or
    - (E) without limiting the generality of (D) above, the effect of a diminution in the value of the consolidated net assets of the Spectrum Group, taken as a whole, by at least \$500,000 against what it would reasonably have been expected to have been but for such Specified Event;

other than:

    - (F) an event, matter, change or circumstance caused, or materially contributed to, by Ramelius;
    - (G) anything required or permitted to be done or not done under this document or otherwise required to be done in connection with the legal obligations for the implementation of the Takeover Bid;
    - (H) any event, matter, change or circumstance:
      - (1) fairly disclosed by Spectrum to Ramelius or any Related Person of Ramelius;
      - (2) disclosed in public filings by Spectrum to ASX or ASIC; or
      - (3) otherwise known by Ramelius or any Related Person of Ramelius,

at any time prior to the date of the Bidder's Statement provided that the event, matter, change or circumstances (as the case may be) continues to be, in all material respects, as disclosed or otherwise known to Ramelius at that time;

- (I) an event, matter, change or circumstance in or relating to:
  - (1) economic, business, regulatory or political conditions in general;
  - (2) credit, financial or currency markets in general, or the state of securities markets in general (including any reduction in market indices);
  - (3) any change affecting the industry in which Spectrum operates generally;
- (J) 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 Spectrum's insurers have agreed to pay; or
- (K) anything done with the prior written consent of Ramelius.

(i) **No untrue statements to ASX**

Between the Announcement Date and the end of the Offer Period (each inclusive), there not having occurred or been announced or become known to Ramelius or Spectrum that information announced by Spectrum to ASX prior to the Announcement Date is, or is likely to be, incomplete, incorrect, untrue or misleading in a material respect (including by omission) such that Ramelius might reasonably be expected to have not proceeded with the Offer at all or would have proceeded with the Offer on materially different terms.

(j) **Conduct of business**

Between the Announcement Date and the end of the Offer Period (each inclusive) neither Spectrum nor any of its Subsidiaries:

- (i) makes any changes to its constitution or passes any special resolution or amends the terms of issue of any shares, options, performance rights or other convertible securities;
- (ii) borrows or agrees to borrow any money, other than in the ordinary course of business, under the Loan Agreement or as otherwise agreed to in writing by both parties;
- (iii) provides a guarantee or indemnity or both to a Third Party;
- (iv) other than to the extent included in the Budget and Work Program (if at all) does any of the following:
  - (A) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or employee;
  - (B) makes or agrees to make any substantial change in the basis or amount of remuneration of any director, employee or consultant;
  - (C) except as provided under any superannuation, provident or retirement scheme or contract in effect on the Announcement Date, pays or agrees to pay any retirement benefit or allowance to any director or employee;
  - (D) make or agree to make any payments to any Third Party (either alone or in aggregate) that is above \$100,000, including to any employee, director or consultant to Target that is contingent on the Offer or the outcome of the Offer (or a similar transaction); and
  - (E) amends or agrees to amend in any material respect any arrangement with its advisers, or enter into arrangements with any new advisers, in respect of the Offer or a similar transaction;
- (v) other than to the extent included in the Budget and Work Program (if at all) or as otherwise agreed to in writing by both parties, acquires, offers to acquire, agrees to

acquire or acquires any one or more businesses, assets, entities or undertakings valued at, or involving a financial commitment of more than \$250,000 (individually or when aggregated with all other such matters arising after the Announcement Date), or makes an announcement or enters into an agreement in relation to such an acquisition, undertaking or financial commitment; or

- (vi) incurs or commits to incur an amount of capital expenditure in excess of \$250,000 (either alone or in aggregate) other than:
  - (A) capital expenditure that has been announced by Spectrum before the Announcement Date as intended to be incurred or committed;
  - (B) capital expenditure in the day to day operating activities of the business of Target and its subsidiaries conducted in the same manner as before the Announcement Date;
  - (C) to the extent included in the Budget and Work Program; or
  - (D) as otherwise agreed to in writing by both parties.

(k) **Tenements**

Between the Announcement Date and the end of the Offer Period (each inclusive), otherwise than in the ordinary course of business, neither Spectrum nor any of its Subsidiaries:

- (i) enters into, agrees to enter into or announces any agreement to enter into any contract, commitment or arrangement (including without limitation any ore sale, ore processing, split commodity, joint venture, partnership, farm-in, royalty, marketing or off-take agreement) in relation to any of the Tenements;
- (ii) relinquishes, sells or disposes of any interest or creates any Security Interest over any of the Tenements;
- (iii) takes any action or omits to take any action that results in or may reasonably be expected to result in a disposal of, or a breach of the terms of any of the Authorisations in connection with any Tenement; or
- (iv) 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 Tenements or any Authorisation relating to any Tenements,

including announcing an intention to do any of the above matters.

(l) **Litigation**

Between the Announcement Date and the end of the Offer Period (each inclusive) no litigation against Spectrum which may impact on the Penny West Gold Project or reasonably result in a judgement of \$500,000 or more is commenced, is threatened to be commenced, is announced, or is made known to Ramelius (whether or not becoming public) or Spectrum regardless of whether the subject of prior resolution or otherwise.

(m) **Equal access**

Between the Announcement Date and the end of the Offer Period, Spectrum promptly, and in any event within two Business Days, provides to Ramelius a copy of all information that is not generally available (within the meaning of the Corporations Act) relating to Spectrum Group, or their respective Tenements, assets, liabilities or operations, that has been provided by Spectrum or any of its directors, officers, agents or representatives to any Third Party other than in the ordinary course of ordinary business, for the purposes of soliciting, encouraging or facilitating any proposal with respect to:

- (i) a takeover bid for, or scheme of arrangement proposed by, Spectrum, under the Corporations Act;
- (ii) the acquisition by a Third Party or an Associate of any interest (including directly or indirectly by way of farm-in, farm-out, joint venture, partnership or similar) in either the Penny West Gold Project or any of the assets (including Tenements) and operations of Spectrum or any of its Subsidiaries; or



(iii) any transaction having a similar economic effect.

(n) **Prescribed occurrences**

Between the Announcement Date and the date three business days after the end of the Offer Period (each inclusive), none of the following prescribed occurrences (being the occurrences listed in section 652C of the Corporations Act) happen:

- (i) Spectrum converting all or any of the Spectrum Shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (ii) Spectrum or any of its Subsidiaries resolving to reduce its share capital in any way;
- (iii) Spectrum or any of its Subsidiaries entering into a buyback agreement or resolving to approve the terms of a buyback agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Spectrum or any of its Subsidiaries making an issue of Spectrum Shares (other than the issue of Spectrum Shares on the exercise of Spectrum convertibles) or granting an option over the Spectrum Shares or agreeing to make such an issue or grant such an option;
- (v) Spectrum or any of its Subsidiaries issuing, or agreeing to issue, convertible notes (including any issue or grant of any Spectrum convertible);
- (vi) Spectrum or any of its Subsidiaries disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Spectrum or any of its Subsidiaries granting, or agreeing to grant, a Security Interest in the whole, or a substantial part, of its business or property;
- (viii) Spectrum or any of its Subsidiaries resolving that it be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Spectrum or any of its Subsidiaries;
- (x) the making of an order by a court for the winding up of Spectrum or any of its Subsidiaries;
- (xi) an administrator of Spectrum or any of its Subsidiaries being appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Spectrum or any of its Subsidiaries executing a deed of company arrangement; or
- (xiii) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of Spectrum or any of its Subsidiaries.

(o) **No distributions**

Between the Announcement Date and the end of the Offer Period (each inclusive), Spectrum does not announce, make, declare or pay any distribution to its Spectrum Shareholders (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).

## 13.9 Nature and benefit of conditions

- (a) The conditions in section 13.8 are conditions subsequent. The non-fulfilment of any condition subsequent does not, until the end of the Offer Period (or in the case of the conditions in section 13.8(n), until the end of the third business day after the end of the Offer Period), prevent a contract to sell Your Spectrum Shares from arising, but non-fulfilment of any of those conditions will have the consequences set out in section 13.10(b).
- (b) Subject to the Corporations Act, Bidder alone is entitled to the benefit of the conditions in section 13.8, or to rely on any non-fulfilment of any of them.
- (c) Each condition in section 13.8 is a separate, several and distinct condition. No condition will be taken to limit the meaning or effect of any other condition.

### **13.10 Freeing the Offer of conditions**

- (a) Bidder may free this Offer, and any contract resulting from its acceptance, from all or any of the conditions subsequent in section 13.8, either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving a notice to Spectrum and to ASX declaring this Offer to be free from the relevant condition or conditions specified, in accordance with section 650F of the Corporations Act. This notice may be given:
  - (i) in the case of the condition in section 13.8(n), not later than 3 business days after the end of the Offer Period; and
  - (ii) in the case of all the other conditions in section 13.8, not less than 7 days before the end of the Offer Period.
- (b) If, at the end of the Offer Period (or in the case of the conditions in section 13.8(n), at the end of the third business day after the end of the Offer Period), the conditions in section 13.8 have not been fulfilled and Bidder has not declared the Offer (or it has not become) free from those conditions, all contracts resulting from the acceptance of the Offer will be automatically void.
- (c) In accordance with the Bid Implementation Agreement, Bidder will free the Offer from the condition in section 13.8(b) if it extends the Offer Period beyond 30 March 2020.

### **13.11 Official quotation of Ramelius Shares**

- (a) Ramelius has been admitted to the official list of ASX. Ramelius Shares of the same class as those to be issued as consideration have been granted official quotation by ASX.
- (b) An application will be made within 7 days after the start of the Offer Period to ASX for the granting of official quotation of the Ramelius Shares to be issued in accordance with the Offer. However, official quotation is not granted automatically on application.
- (c) Pursuant to the Corporations Act, this Offer and any contract that results from your acceptance of it are subject to a condition that permission for admission to official quotation by ASX of the Ramelius Shares to be issued pursuant to the Offer being granted no later than 7 days after the end of the Offer Period. If this condition is not fulfilled, all contracts resulting from the acceptance of the Offers will be automatically void.

### **13.12 Notice on status of conditions**

The date for giving the notice on the status of the conditions required by section 630(1) of the Corporations Act is 23 March 2020 (subject to extension in accordance with section 630(2) if the Offer Period is extended).

### **13.13 Withdrawal of this Offer**

- (a) This Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions. If ASIC gives such consent, Bidder will give notice of the withdrawal to ASX and to Spectrum and will comply with any other conditions imposed by ASIC.
- (b) If, at the time this Offer is withdrawn, all the conditions in section 13.8 have been freed, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.
- (c) If, at the time this Offer is withdrawn, the Offer remains subject to one or more of the conditions in section 13.8, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant conditions have occurred).
- (d) A withdrawal pursuant to section 13.13 will be deemed to take effect:
  - (i) if the withdrawal is not subject to conditions imposed by ASIC, on the date after the date on which that consent in writing is given by ASIC; or
  - (ii) if the withdrawal is subject to conditions imposed by ASIC, on the date after the date on which those conditions are satisfied.

### **13.14 Variation of this Offer**

Bidder may vary this Offer in accordance with the Corporations Act.

**13.15 No stamp duty**

Bidder will pay any stamp duty on the transfer of Your Accepted Shares to it.

**13.16 Governing laws**

This Offer and any contract that results from your acceptance of it are to be governed by the laws in force in Western Australia.

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## 14. AUSTRALIAN TAX IMPLICATIONS

The following is a general description of the Australian income tax (including CGT), stamp duty and GST consequences for Spectrum Shareholders who either accept the Offer and dispose of their Spectrum Shares to Ramelius, or whose Spectrum Shares are compulsorily acquired.

The comments set out below are relevant only to those Spectrum Shareholders who hold their Spectrum Shares on capital account for tax purposes.

Spectrum Shareholders who:

- (a) hold their Spectrum Shares for the purpose of speculation or a pursuant to a business of dealing in securities (e.g. as revenue assets or as trading stock);
- (b) acquired their Spectrum Shares pursuant to an employee share, option or rights plan;
- (c) are subject to the taxation of financial arrangement rules in Division 230 of the ITAA 1997 in relation to gains and losses on their Spectrum Shares;
- (d) are non-residents of Australia who hold their Spectrum Shares in carrying on a business through a permanent establishment in Australia; or
- (e) are financial institutions, insurance companies, partnerships, tax exempt organisations, trusts, superannuation funds or temporary residents,

should seek their own independent tax advice.

Spectrum Shareholders who are tax residents of a country other than Australia (whether or not they are also Australian tax residents, or are temporary tax residents of Australia) should take into account the tax consequences under the laws of their country of tax residence, as well as under Australian tax law, of acceptance of the Offer.

The following description is based upon the Australian tax law and administrative practice in effect at the date of this Bidder's Statement, but the descriptions are general in nature and are not intended to be an authoritative or complete statement of the tax laws applicable to the particular circumstances of every Spectrum Shareholder. Spectrum Shareholders should seek independent professional tax advice in relation to their own particular circumstances.

### 14.1 Australian tax resident Spectrum Shareholders

#### (a) **Spectrum Shareholders who accept the Offer**

If the Offer becomes unconditional, acceptance of the Offer will result in the disposal by Spectrum Shareholders of their Spectrum Shares by way of transfer to Ramelius. This change of ownership of Spectrum Shares will constitute a 'CGT event' for Australian income tax purposes.

The date of disposal for CGT purposes should be the date the contract to dispose of the Spectrum Shares is formed, being the date of acceptance of an unconditional Offer. If the Offer is accepted before the conditions in clause 13.8 are fulfilled, the date of disposal will be the date that those conditions are fulfilled. If the Offer is accepted after the conditions in clause 13.8 are fulfilled, the CGT event disposal date will be the date that the Offer is accepted.

#### (b) **Compulsory acquisition**

If a Spectrum Shareholder does not dispose of their Spectrum Shares under the Offer and their Spectrum Shares are compulsorily acquired, those Spectrum Shareholders will also be treated as having disposed of their Spectrum Shares for CGT purposes.

In the case of compulsory acquisition, the date of disposal for CGT purposes will be the date when the Spectrum Shareholder ceases to be the owner of the Spectrum Shares.

#### (c) **CGT**

- (i) Calculation of capital gain or capital loss – where scrip for scrip rollover relief is not chosen or does not apply

Spectrum Shareholders will make a capital gain to the extent that the capital proceeds from the disposal of their Spectrum Shares to Ramelius are greater than the cost base (as calculated for tax purposes) of their Spectrum Shares disposed.

Spectrum Shareholders will make a capital loss to the extent that the capital proceeds are less than the reduced cost base of those Spectrum Shares disposed.

(ii) CGT Cost base and Reduced Cost base

The cost base for a Spectrum Shareholder's Spectrum Shares will include the original acquisition cost (i.e. the purchase price paid for the Spectrum Shares) and any incidental costs of acquisition and disposal.

The reduced cost base of the Spectrum Shares is usually determined in a similar but not identical manner.

(iii) Capital proceeds

The capital proceeds for the disposal of the Spectrum Shares will equal the cash consideration of \$0.017 per Spectrum Share (**Cash Consideration**) and the market value of the 0.1 Ramelius Share received per Spectrum Share (**Share Consideration**), determined as at the time of the CGT event.

(iv) CGT Discount

Individuals, complying superannuation entities or certain trustees of trusts that have held Spectrum Shares for at least 12 months *may* be entitled to discount the amount of the capital gain (after application of capital losses) from the disposal of Spectrum Shares by 50%, in the case of individuals and trusts, or by 33<sup>1/3</sup> % for complying superannuation entities. For trusts, the ultimate availability of the discount for a beneficiary of the trust will depend on the beneficiary's particular circumstances.

(v) Net capital gains or losses

Capital gains (prior to applying the CGT discount) and capital losses of a taxpayer in a year of income are aggregated to calculate whether there is a net capital gain or net capital loss. Any resulting net capital gain (after applying the CGT discount) is included in the taxpayer's assessable income and is therefore potentially subject to income tax at the taxpayer's marginal tax rate.

Capital losses are not able to be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains (subject to the satisfaction of the loss recoupment tests for certain taxpayers).

(vi) CGT - Scrip for scrip rollover relief

No CGT rollover is available for the Cash Consideration component.

Partial scrip for scrip rollover relief should be available however if Ramelius acquires at least 80% of the Spectrum Shares under the Offer (including any existing Spectrum Shares held by Ramelius prior to the Offer). In this case, Spectrum Shareholders who would otherwise have a capital gain on their Spectrum Shares can choose to apply a CGT rollover to the portion of their gain representing the Share Consideration. The rollover operates to defer a capital gain that would otherwise arise for a Spectrum Shareholder pursuant to the Offer.

In order to choose scrip for scrip roll-over relief, Spectrum Shareholders must make a choice, prior to or by the day that they lodge their income tax return for the income year the CGT event happens. To evidence the choice it would be prudent to make the CGT scrip for scrip rollover choice election in writing.

Ramelius confirms that it **will not** make a choice under subsection 124-795(4) of the ITAA 1997 to deny scrip for scrip rollover relief for Spectrum Shareholders.

Where a Spectrum Shareholder chooses scrip for scrip roll-over relief, the Spectrum Shareholder will make a capital gain to the extent that the Cash Consideration the Spectrum Shareholder receives exceeds a proportionate part of the cost base of the shareholder's Spectrum Shares disposed of to Ramelius pursuant to the Offer.

Scrip for scrip rollover chosen - The capital gain will be calculated as follows:

*Capital gain on exchanging Spectrum Shares =*

*Cash Consideration –*

$$\left( \frac{\text{Cash Consideration}}{\text{Cash Consideration} + \text{market value of Ramelius Shares at the date of CGT disposal}} \times \text{Cost base of Spectrum Shares} \right)$$

The calculation for determining a capital loss is essentially the same, except that the reduced cost base is used and not the cost base for the Spectrum Shares. CGT Roll-over relief is not available if a capital loss arises for a Spectrum Shareholder pursuant to the Offer.

(d) **Implications of holding Ramelius Shares**

As a consequence of accepting the Offer, a Spectrum Shareholder will cease to be a shareholder of Spectrum and will become a shareholder of Ramelius.

(e) **CGT on subsequent disposal of Ramelius Shares**

A subsequent disposal of Ramelius Shares received by a Spectrum Shareholder, pursuant to the Offer, will generally result in Australian CGT implications as described above. The tax implications will differ depending upon whether or not, and the extent to which, scrip for scrip rollover relief was claimed in relation to the disposal of Spectrum Shares pursuant to this Offer.

(i) **Where scrip for scrip rollover was not chosen or not available**

Where scrip for scrip rollover relief was not chosen or was not available in relation to the disposal of your Spectrum Shares, the cost base of the Ramelius Shares (spread equally over those Ramelius Shares) would include the market value of the Spectrum Shares disposed of under the Offer at the time the Offer is accepted less the Cash consideration.

Where the Offer was unconditional and accepted, the acquisition date of the Ramelius Shares will be when the contract for disposal of the Spectrum Shares was formed (as set out in clause 14.1(a) above).

Where the Spectrum Shares were compulsorily acquired by Ramelius, the acquisition date of the Ramelius Shares will be when the Spectrum Shares cease to be owned by the Spectrum Shareholder.

A CGT discount may be available for certain shareholders if the Ramelius Shares are owned for at least 12 months before their disposal.

(ii) **Where scrip for scrip rollover was available**

Where a Spectrum Shareholder chooses scrip for scrip rollover relief, the cost base for the Ramelius Shares acquired will be calculated as follows:

*Cost base of Ramelius Shares =*

$$\text{Cost base of Spectrum Shares} \times \frac{\text{Market value of Ramelius Shares}}{\text{Cash consideration} + \text{market value of Ramelius Shares}}$$

Other amounts may be included in the cost base of the Ramelius Shares, such as any incidental costs to sell the Ramelius Shares.

A Spectrum Shareholder will be taken to have acquired the Ramelius Shares at the time of the Spectrum Shares exchanged for them were originally acquired for CGT purposes.

## 14.2 Non-resident Spectrum Shareholders

The disposal of Spectrum Shares by non-resident Spectrum Shareholders will generally only result in Australian CGT implications if their Spectrum Shares would constitute 'taxable Australian property' (**TAP**). Spectrum Shares would constitute TAP if they constitute 'indirect Australian real property interests' under the ITAA 1997.

The Spectrum Shares will constitute 'indirect Australian real property interests' if:

- (a) the Spectrum Shareholder together with its associates hold an interest of 10% or more at the time of the disposal or throughout a 12 month period during the 2 years preceding the disposal (referred to as a **non-portfolio interest** in Spectrum); **and**
- (b) more than 50% of the market value of Spectrum's assets is attributable directly or indirectly to 'Taxable Australian real property' as defined in the ITAA 1997 to include Australian land and mining, quarrying or prospecting rights at the time of the disposal (the **TARP** test).

Ramelius expects that the Spectrum Shares will constitute TAP.

Non-resident Spectrum Shareholders who hold (or have held) a non-portfolio interest should obtain independent professional advice as to the tax implications of a disposal of their Spectrum Shares.

## 14.3 Foreign resident CGT withholding tax rules

Pursuant to the foreign resident CGT withholding tax rules, unless an exemption or variation applies, Ramelius may be required to pay to the ATO an amount equal to 12.5% of the capital proceeds (i.e. 12.5% of the Offer Consideration) provided for the acquisition of Spectrum Shares from certain Spectrum Shareholders.

The foreign resident CGT withholding tax rules would be expected to apply to the disposal of the Spectrum Shares where the Spectrum Shareholder meets the following criteria:

- is a non-resident for Australian income tax purposes (but note the comments below); **and**
- their Spectrum Shares constitute an 'indirect Australian real property interest'.

An indirect Australian real property interest – this arises where a Spectrum Shareholder and any of its 'associates' (as defined in the tax law) held 10% or more of Spectrum Shares directly or indirectly, including via a foreign entity at the time of disposal, or for any continuous period within two years preceding the disposal (**test 1**); and more than 50% of Spectrum's value is due to direct or indirect interests in Australian real property (**test 2**) (the two tests are collectively referred to as the TARP tests).

For Australian tax law purposes Australian real property includes:

- a direct interest in real property situated in Australia;
- a mining, quarrying or prospecting right to minerals, petroleum or quarry materials situated in Australia; or
- a capital gains tax asset that you have used at any time in carrying on a business through a permanent establishment in Australia.

Where the Spectrum Shareholder does not meet the above criteria, the Spectrum Shareholder should provide Ramelius with a signed and completed declaration (**CGT Declaration**). Such a Spectrum Shareholder would be either of the following:

- (a) Spectrum Shareholders **who are Australian tax residents**;
- (b) Spectrum Shareholders **who are non-residents for Australian tax purposes**, and whose Spectrum Shares are 'membership interests' but not 'indirect Australian real property interests' under the ITAA 1997.

The CGT Declaration is contained in the Acceptance Form which accompanies this Bidder's Statement.

Ramelius **will not deduct** a foreign resident CGT withholding tax amount (i.e. 12.5% of the Offer Consideration due to the Spectrum Shareholder) where the signed and completed CGT Declaration is

provided prior to Ramelius acquiring the Spectrum Shares, unless Ramelius has knowledge that the CGT Declaration is false.

However, Ramelius may deduct a foreign resident CGT withholding tax amount where it does not receive a signed and completed CGT Declaration prior to Ramelius acquiring the Spectrum Shares from that Spectrum Shareholder. In this case, Ramelius may deduct this amount (on account of the foreign resident CGT withholding tax liability to the Commissioner), i.e. a portion of the Offer Consideration receivable by the Spectrum Shareholder, where:

- (a) Ramelius knows the Spectrum Shareholder is a non-resident for Australian income tax purposes;
- (b) Ramelius reasonably believes that the Spectrum Shareholder is a non-resident for Australian income tax purposes;
- (c) Ramelius does not reasonably believe that the Spectrum Shareholder is an Australian tax resident and either the Spectrum Shareholder has an address outside Australia (according to any record that is in Ramelius' possession or is kept or maintained on Ramelius' behalf about the disposal of Spectrum Shares) or Ramelius is authorised to provide a related financial benefit to a place outside Australia; or
- (d) the Spectrum Shareholder has a connection outside Australia of a kind specified in the relevant Tax Regulations under the ITAA 1997.

The foreign resident CGT withholding is not a final withholding tax. Accordingly, Spectrum Shareholders may be able to claim a credit for any foreign resident CGT withholding amount in their Australian tax return for the relevant year (as applicable).

A Spectrum Shareholder who believes that the disposal of their Spectrum Shares may be subject to foreign resident CGT withholding should obtain independent professional tax advice and consider contacting Ramelius.

#### **14.4 Stamp Duty**

If you accept the Offer you will not be required to pay any stamp duty on the disposal of your Spectrum Shares under the Offer.

#### **14.5 GST**

Holders of Spectrum Shares should not be liable to pay any GST in respect of the disposal of those Spectrum Shares or upon acquisition of the Ramelius Shares.

Spectrum Shareholders may be charged GST on costs (such as advisor fees relating to their participation in the Offer) that relate to the Offer.



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## 15. DEFINITIONS AND INTERPRETATION

### 15.1 Definitions

In this Bidder's Statement and in the Acceptance Form unless the context otherwise appears, the following terms have the meanings shown below:

**\$ or A\$** means Australian dollars, the lawful currency of the Commonwealth of Australia.

**Acceptance Form** means the acceptance form enclosed with this Bidder's Statement.

**AISC** means All in Sustaining Costs, which is a non-IFRS term. Please refer to "Non-IFRS information" within the Important Notices section for information regarding AISC.

**Announcement Date** means the date of the announcement of the Offer by Ramelius on the ASX, being 10 February 2020.

**Annual Financial Report** has the meaning given in section 4.9 of this Bidder's Statement.

**ASIC** means the Australian Securities and Investments Commission.

**Asset** means the assets of the Spectrum Group including the Penny West Gold Project and any and all Tenements.

**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 Spectrum, Bidder or Ramelius was the designated body (as the case may be).

**ASX** means ASX Limited (ABN 98 008 624 691) and, where the context requires, the financial market that it operates.

**ASX Operating Rules** means the operating rules of ASX in force from time to time.

**ASX Operating Rules Procedures** means the procedures of the ASX Operating Rules.

**ASX Settlement** means ASX Settlement Pty Limited (ABN 49 008 504 532).

**ASX Settlement Operating Rules** means the operating rules of the ASX Settlement which govern the administration of the Clearing House Electronic Sub-register System.

**ATO** means Australian Taxation Office.

**Au** means the chemical formula for the mineral gold.

**Authorisation** means any approval, licence, consent, authority or permit.

**Bid Conditions** means the Bid Conditions detailed in full at section 13.8 of this Bidder's Statement;

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

**Bid Implementation Agreement** means the bid implementation agreement entered into between Ramelius and Spectrum on 9 February 2020.

**Bidder's Statement** means this document, being the statement of Bidder under Part 6.5 Division 2 of the Corporations Act relating to the Offer.

**Budget and Work Program** means the expenditure budget and project work plan for Spectrum as approved by the Spectrum Directors and initialled for identification purposes by Ramelius and Spectrum and as amended from time to time with the consent of Bidder, acting reasonably.

**Business Day** means a day that is not a Saturday, Sunday or public holiday or bank holiday in Perth, Western Australia.

**CGT** means capital gains tax.

**CHESS Holding** means a number of Spectrum Shares which are registered on Spectrum's share register, being a register administered by ASX Settlement and which records uncertificated holdings of shares.

**Combined Entity** means the Ramelius Group (including the Spectrum Group) which will exist following the Offer, should the Offer be successful and Spectrum becomes a wholly subsidiary of Ramelius.

**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 Bidder's Associates acquiring:
  - (i) an interest in all or a substantial part of the Tenements or assets of Spectrum or any of its Subsidiaries;
  - (ii) a Relevant Interest in more than 15% of the voting shares of Spectrum or any of its Subsidiaries; or
  - (iii) control of Spectrum or any of its Subsidiaries within the meaning of section 50AA of the Corporations Act; or
- (b) Spectrum and another person or persons (other than Spectrum or one of Spectrum's Associates) operating under a dual listed company, or similar structure.

**Commissioner** has the meaning given to that term at section 13.7(h) of this Bidder's Statement.

**Controlling Participant** means in relation to Your Spectrum Shares, has the same meaning as in the ASX Settlement Operating Rules.

**Corporations Act** mean *Corporations Act 2001* (Cth).

**D&O Insurance Policy** has the meaning given in section 12.12(d) of this Bidder's Statement.

**Directors' Deeds** has the meaning given in section 12.12(d) of this Bidder's Statement.

**Exclusivity Period** means the period commencing from the date of the Bid Implementation Agreement, being 9 February 2020, to the earlier of:

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

**Foreign Spectrum Shareholder** means a Spectrum Shareholder whose address shown in the register of members of Spectrum is a place outside of Australia and its external territories or New Zealand.

**GAAP** means Generally Accepted Accounting Principles.

**Government Agency** means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.

**GST** means goods and services tax.

**Holder Identification Number** has the same meaning as in the ASX Settlement Operating Rules.

**Interested Persons** has the meaning given in section 12.10 of this Bidder's Statement.

**Issuer Sponsored Holding** means a holding of Spectrum Shares on Spectrum's issuer sponsored sub-register.

**ITAA 1997** means *Income Tax Assessment Act 1997*.

**JORC Code** means the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

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

**Loan Agreement** means the loan agreement entered into between Ramelius and Spectrum on 9 February 2020.

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

**Mineral Resource** has the meaning given to it in the JORC Code.

**Nominee** has the meaning given in section 13.7 of this Bidder's Statement.

**Offer** means the offer for Spectrum Shares under the terms and conditions contained in section 13 of this Bidder's Statement.

**Offer Consideration** means the consideration under the Offer, determined in accordance with section 13 of this Bidder's Statement.

**Offer Period** means the period during which the Offer is open for acceptance in accordance with section 13.2 of this Bidder's Statement.

**Ore Reserve** has the meaning given to it in the JORC Code.

**Participant** means an entity admitted to participate in the Clearing House Electronic Sub-register System under Rule 4.3.1 and 4.4.1 of the ASX Settlement Operating Rules.

**Penny West Gold Project** means the "Penny West Gold Project" as described in section 6.1 of this Bidder's Statement.

**Ramelius** means Ramelius Resources Limited (ABN 51 001 717 540) and, where the context requires, includes Bidder.

**Ramelius Board** means the board of Ramelius Directors of and a **Board Member** means any director of Ramelius comprising part of the Ramelius Board.

**Ramelius Director** means each member of the Ramelius Board and, where the context requires, includes a reference to the board of directors of Bidder.

**Ramelius Group** means Ramelius and each of its Subsidiaries and **Ramelius Group Member** means any member of the Ramelius Group.

**Ramelius Option** has the meaning given in section 5.5 of this Bidder's Statement.

**Ramelius Performance Right** has the meaning given in section 5.6 of this Bidder's Statement.

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

**Ramelius Shareholder** means each person who is registered as the holder of a Ramelius Share in the Ramelius share register (at the relevant time).

**Register Date** means the date set by Ramelius under section 633(2) of the Corporations Act, being 5 pm (WST) on 25 February 2020.

**Related Body Corporate** has the meaning given in section 50 of the Corporations Act.

**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 Takeover 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.

**Relevant Period** has the meaning given in section 12.12 of this Bidder's Statement.

**Review** has the meaning given in section 8.2 of this Bidder's Statement.

**Rights** means all accreditations, rights or benefits of whatever kind attaching or arising from Spectrum Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends and all rights to receive them or rights to receive or subscribe for shares, notes, bonds, options or other securities declared, paid or issued by Spectrum or any of its subsidiaries).

**Securityholder Reference Number** has the same meaning as in the ASX Settlement Operating Rules.

**Security Interest** means an interest or power:

- (a) reserved in or over an interest in any asset; or
- (b) created or otherwise arising in or over any interest in any asset under a security agreement, a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of, or having similar commercial effect to, security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes, but is not limited to:

- (c) any agreement to grant or create any of the above; and

(d) a security interest within the meaning of section 12(1) of the *Personal Property Securities Act 2009* (Cth).

**Specified Event** has the meaning given in section 13.8(h) of this Bidder's Statement.

**Spectrum** means Spectrum Metals Limited (ABN 94 115 770 226).

**Spectrum Board** means the board of directors of Spectrum.

**Spectrum Director** means each member of the Spectrum Board.

**Spectrum Group** means Spectrum and each of its Subsidiaries and **Spectrum Group Member** means any member of the Spectrum Group.

**Spectrum Option** means an option, issued by Spectrum, to acquire a Spectrum Share.

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

**Spectrum Shareholder** means each person who is registered as the holder of a Spectrum Share.

**Subsidiary** has the meaning given in Division 6 of Part 1.2 of the Corporations Act.

**Substantial Holding** has the meaning given in section 9 of the Corporations Act.

**Superior Proposal** means a bona fide Competing Proposal that in the determination of the Spectrum 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 Spectrum Shareholders than the Offer, taking into account all terms and conditions of the Competing Proposal,

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

**Takeover Bid** means the off-market takeover bid constituted by the dispatch of the Offers in accordance with the Corporations Act.

**Takeover Transfree Holding** has the same meaning as in the ASX Settlement Operating Rules.

**Target's Statement** means the target's statement to be issued by Spectrum in response to this Bidder's Statement in accordance with the Corporations Act.

**Tenements** means any and all tenements that Spectrum or its Subsidiaries have a direct or indirect interest in from time to time (including as holder, owner, operator or joint venturer), including the Penny West Gold Project and any tenement that is a successor, renewal, modification, extension or substitute for the whole or part of any such tenement.

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

**Unmarketable Parcel** means a parcel of Ramelius Shares that does not constitute a Marketable Parcel.

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

**VWAP** means volume weighted average price.

**WST** means Australian Western Standard Time.

**Your Accepted Shares** has the meaning given in section 13.5 of this Bidder's Statement.

**Your Spectrum Shares** means the Spectrum Shares (a) in respect of which you are registered, or entitled to be registered, as holder in the register of shareholders of Spectrum at 5.00pm (WST) on the Register Date, or (b) to which you are able to give good title at the time you accept this Offer during the Offer Period.

## 15.2 Interpretation

In this Bidder's Statement and in the Acceptance Form, unless the context otherwise requires:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;

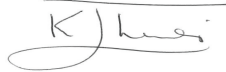
- (b) words importing a gender include any gender;
- (c) words importing the singular include the plural and vice versa;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (e) a reference to a section, paragraph, clause, attachment and schedule is a reference to a section, paragraph or, clause of and an attachment and schedule to this Bidder's Statement as relevant;
- (f) a reference to any statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances, or by-laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (g) headings and bold type are for convenience only and do not affect the interpretation of this Bidder's Statement;
- (h) a reference to time is a reference to time in Perth, Australia;
- (i) a reference to writing includes facsimile transmissions; and
- (j) a reference to dollars, \$, A\$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

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**16. APPROVAL OF BIDDER'S STATEMENT**

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

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

A handwritten signature in black ink, appearing to read 'K Lines', with a horizontal line above it.

Kevin Lines  
Independent Non-Executive Chairman - Ramelius Resources Limited  
Independent Non-Executive Director - Mount Magnet Gold Pty Ltd



10<sup>th</sup> February, 2020

## Ramelius Makes Recommended Takeover Offer for Spectrum Metals

### Highlights

- Ramelius to acquire Spectrum Metals, owner of the high-grade Penny West Gold Project
- Penny West is one of the highest-grade undeveloped gold assets in Australia with a gold resource currently of 799 kt @ 13.8 g/t for 355,500 oz<sup>1</sup>
- Cash and scrip offer of \$0.15<sup>2</sup> per Spectrum share, a 52%<sup>3</sup> premium to Spectrum's last closing price
- Shareholders of both companies to benefit from significant synergies between Penny West and Ramelius' Mt Magnet operation
- Ramelius has financial capacity and operational expertise to continue to explore and to develop the Penny West Gold Project
- Spectrum Directors unanimously recommend that Spectrum shareholders accept the Offer
- Spectrum Directors intend to accept the Offer for all their shares

### Overview

Ramelius Resources Limited (ASX:RMS) (**Ramelius**) and Spectrum Metals Limited (ASX:SPX) (**Spectrum**) are pleased to announce that they have entered into a Bid Implementation Agreement (**BIA**), pursuant to which Ramelius will offer to acquire all of the issued and outstanding ordinary shares in Spectrum that it does not already own under the terms of an off-market takeover offer (the **Offer**).

Under the terms of the Offer, Spectrum Shareholders will receive one (1) Ramelius share for every ten (10) Spectrum shares held and cash consideration of A\$0.017 per Spectrum share held (**Offer Consideration**), valuing Spectrum shares at A\$0.15 each, based on the Volume Weighted Average Price (**VWAP**) of Ramelius shares traded on 7 February 2020, which represents a premium of<sup>3</sup>:

- 52% to Spectrum's last closing price of A\$0.0990 on 7 February 2020;
- 61% to Spectrum's 10-Day VWAP of A\$0.0931, up to and including 7 February 2020; and
- 70% to Spectrum's 30-Day VWAP of A\$0.0882, up to and including 7 February 2020.

Ramelius has a relevant interest of 4.9% of the issued and outstanding ordinary shares in Spectrum as at the date of this announcement.

The cash component of the acquisition will be funded from Ramelius' existing working capital position or the recently established \$35 million Syndicated Finance Agreement.

### Spectrum Board Recommendations

The Spectrum Board of Directors unanimously recommend that Spectrum shareholders accept the Offer and have agreed to accept the Offer in respect of all Spectrum shares they own or control, in both instances in the absence of a superior proposal.

<sup>1</sup>Refer Spectrum ASX Announcement dated 24 October 2019

<sup>2</sup>Based on the 1-Day VWAP of Ramelius shares traded on 7 February 2020 of A\$1.33 per share

<sup>3</sup>Share price data sourced from IRESS 7 February 2020

## Penny West Gold Project

Spectrum's key asset is the 100% owned Penny West Gold Project (**Penny West**), one of the highest-grade undeveloped gold assets in Western Australia. Penny West is located approximately 150km south-east of Ramelius' Mt Magnet mining and processing operations and approximately 550km north-east of Perth in Western Australia.

On the back of exceptional exploration success by Spectrum, the Company announced a maiden Mineral Resource estimate for the Penny West Gold Project in October 2019. The total resource at Penny West is currently 799 kt @ 13.8 g/t Au for 355,500 oz<sup>1</sup>, including 569 kt @ 16.8 g/t Au for 306,800 oz<sup>1</sup> at Penny North.

Penny West offers significant exploration potential at depth and along strike.

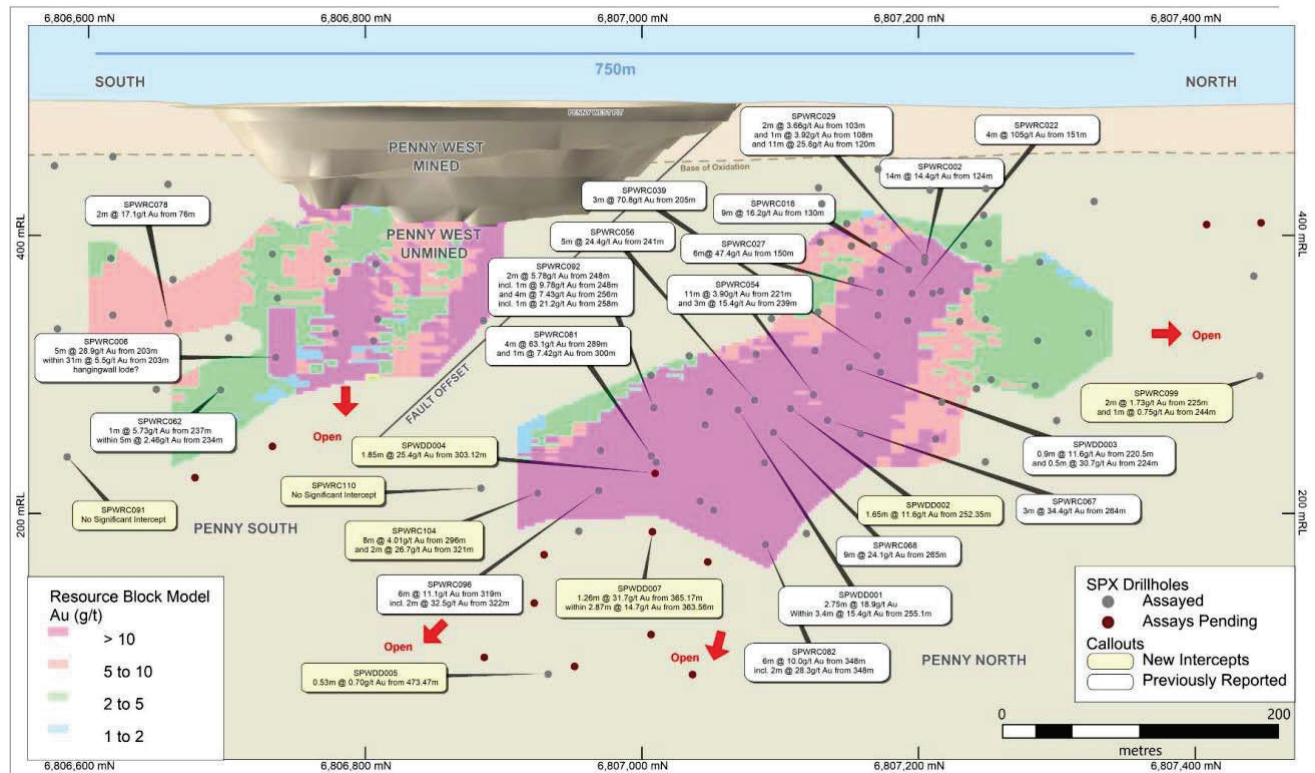


Figure 1: Long section of resource model with resource block grade and drilled diamond holes (awaiting results).

### Mineral Resource Table – Penny West Gold Deposit Oct 2019 (>2.0g/t)<sup>1</sup>

Lode	Indicated			Inferred			Total		
	T	g/t	Oz	t	g/t	Oz	t	g/t	oz
Penny North	414,000	18.6	247,000	155,000	12.0	59,800	569,000	16.8	306,800
Penny West	54,000	12.1	21,100	93,000	5.1	15,400	147,000	7.7	36,400
Minor Zones				82,000	4.6	12,300	82,000	4.6	12,300
<b>Total</b>	<b>468,000</b>	<b>17.8</b>	<b>268,000</b>	<b>331,000</b>	<b>8.2</b>	<b>87,500</b>	<b>799,000</b>	<b>13.8</b>	<b>355,500</b>

### Compelling Strategic Rationale

The acquisition of Spectrum is in line with Ramelius' philosophy of acquiring high quality assets within a radius of existing production hubs that facilitate mining and ore haulage without incurring significant on-site capital expenditure.

The acquisition of Spectrum will allow Ramelius to add high grade JORC Resources of 355,500<sup>1</sup> oz to its current asset base and provide a near-term development opportunity to introduce an additional ore source to its processing facility at Mt Magnet.



The proximity of the Mt Magnet processing facility to Spectrum’s Penny West Gold Project provides potential to realise capital cost savings and operational synergies in developing the Penny West Gold Project while maintaining exposure to ongoing exploration potential. In particular, the Penny West Gold Project also provides Ramelius with potential for increased flexibility around the timing and scheduling of other mining operations at Mt Magnet.

Following successful completion of the Offer, the Ramelius Board intends to quickly undertake a comprehensive review to determine the optimal pathway to first cash flow from the Penny West Gold Project, whilst continuing with aggressive exploration programmes at Penny West.

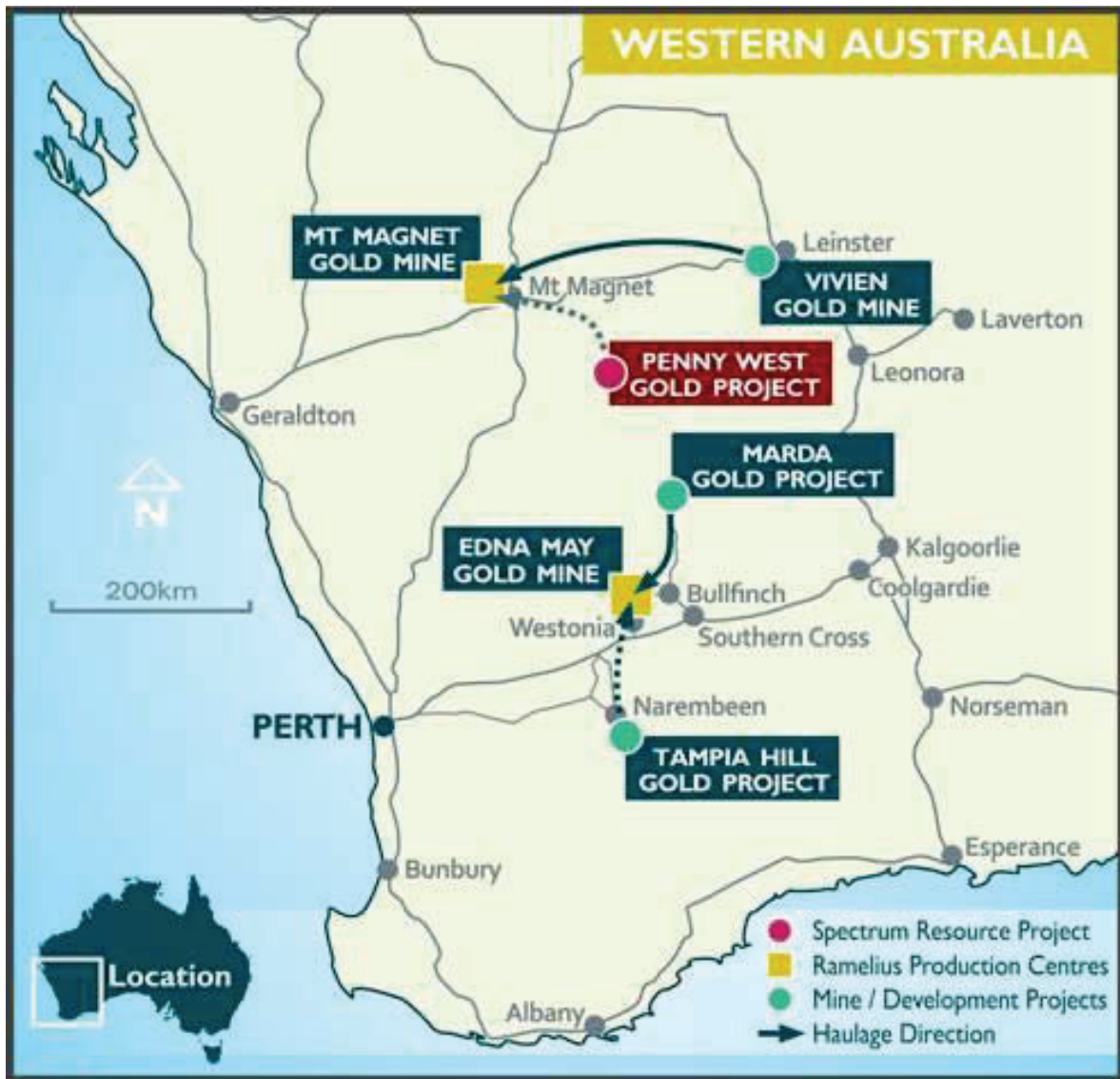


Figure 2: Location of Ramelius’ Operations and the Penny West Gold Project

### Key Benefits for Spectrum Shareholders

- The Offer represents an attractive and significant premium to recent trading levels of Spectrum shares.
- Spectrum Shareholders will become shareholders in a profitable, financially secure Australian gold producer with a stable diversified platform of established Western Australian gold mines managed by a proven high-quality team:
  - In FY19 Ramelius produced 196,679 ounces of gold at an All in Sustaining Cost (AISC) of A\$1,192/oz and recorded a Net Profit after Tax for the Financial Year of \$21.8 million;

- As at 31 December 2019, Ramelius held A\$87.7 million in cash and gold bullion with no debt; and
- FY2020 is forecast to be another very strong year with gold production of 205,000-225,000 ounces at an AISC of A\$1,225-A\$1,325/oz (please see RMS ASX announcement dated 30 July 2019).
- The Offer significantly reduces the development risk associated with the Penny West project as it removes financing uncertainty and potential shareholder dilution.
- **Shareholders of Spectrum will not only remain exposed to all of the upside from exploration and development of Penny West but will benefit from having access to cash flow generating assets at Edna May, Mt Magnet and Vivien, while gaining exposure to the Marda and Tampia Hill projects through being a shareholder of the enlarged combined group.**

Ramelius Managing Director, Mark Zeptner, said of the Offer: *“There is clear logic in the combination of Spectrum’s assets with Ramelius’ WA operations. After the successful acquisition of the Marda and Tampia Hill gold projects in 2019, Ramelius is focussed on building on its growth strategy to extend mine life and maximise the value of existing infrastructure in its portfolio. This compelling offer is the next step in that growth strategy and is expected to provide significant benefits to both Spectrum and Ramelius Shareholders.”*

Spectrum Chairman, Alex Hewlett, commented: *“The last year has been one of exceptional growth for Spectrum which we are particularly proud of. The Penny West gold system is developing into one of significant value, I am firmly of the view that this transaction with Ramelius will unlock the full value of Penny West for the benefit of all of our shareholders. The combination of Penny West with the existing assets of Ramelius will build a gold business capable of delivering exceptional future returns for our shareholders.”*

### **Bid Implementation Agreement**

Under a Bid Implementation Agreement dated 9 February 2020 (**BIA**), Ramelius and Spectrum have given undertakings to each other to facilitate the Offer. The Offer is subject to a limited number of conditions as set out in the BIA including:

- 50.1% minimum acceptance by Spectrum Shareholders;
- the spot gold price as quoted by Bloomberg does not fall below A\$2,000 per ounce at any time during a day for three consecutive days between Announcement Date and the end of the Offer Period (each exclusive) with this condition to be removed in the event that the offer is extended;
- receipt of any regulatory approvals required;
- no order, investigation or application is made which restrains, prohibits or impedes the Offer;
- Spectrum’s tenements are maintained in their current form;
- no ‘prescribed occurrences’ occurring in relation to Spectrum;
- no material disposals, cancellation or new commitments by Spectrum;
- no material adverse change occurring; and
- standard restrictions on the conduct of Spectrum’s business.

The BIA contains customary deal protection mechanisms including “no shop, no talk” and “no due diligence” restrictions, as well as notification and matching rights in the event of a competing proposal. A market-standard break fee may also be payable by Spectrum to Ramelius in certain circumstances set out in the BIA.

A copy of the BIA will be separately released to ASX shortly. The Offer will extend to all Spectrum shares including those issued as a result of the exercise of options or vested performance rights during the Offer period. Separate offers are being made for certain options, on equivalent terms to the Offer.

Ramelius has agreed to make an unsecured interest free loan to Spectrum in the amount of \$3 million for use as working capital.

## Timetable and Next Steps

Further details about the Offer will be contained in Ramelius' Bidder's Statement and Spectrum's Target's Statement, which are expected to be despatched to Spectrum Shareholders by 28 February 2020. The Bidder's Statement and Target's Statement will set out important information, including how to accept the Offer, information about Ramelius and the key reasons as to why Spectrum Shareholders should accept the Offer.

A toll-free information line has been established for the purposes of the Offer. Shareholders can contact the Offer Information Line on 1300 352 261 (within Australia) or +61 3 9415 4301 (from outside of Australia), Monday to Friday between 8.30am to 5.30pm (AWST).

In addition, a joint conference call to brief interested parties will be held on 1800 908 299 (within Australia) or +61 2 9007 8048 (from outside of Australia) at 10:30am AEST (07:30 WST), 10 February 2020. Participants can register for the call by navigating to: <https://s1.c-conf.com/DiamondPass/10004115-invite.html>. Please note that registered parties will receive their dial-in number upon registration.

## Advisers

Ramelius has engaged Adelaide Equity Partners Ltd (Financial) and Allion Partners (Legal) as advisors to this transaction.

Spectrum has engaged Hartleys Limited (Financial) and Bennett & Co (Legal) as advisors to this transaction.

This ASX announcement was authorised for release by the Board of Directors of Ramelius Resources Limited and Spectrum Metals Limited.

## Ramelius Contacts

### Investor enquiries:

#### Mark Zeptner

Managing Director  
Ramelius Resources Ltd  
Ph: +61 8 9202 1127

#### Tim Manners

Chief Financial Officer  
Ramelius Resources Ltd  
Ph: +61 8 9202 1127

#### Duncan Gordon

Executive Director  
Adelaide Equity Partners  
Ph: +61 404 006 444

### Media enquiries:

#### Luke Forrestal

Associate Director  
Media & Capital Partners  
Ph: +61 411 479 144

## Spectrum Contacts

### Investor enquiries:

#### Alex Hewlett

Executive Chairman  
Spectrum Metals Ltd  
Ph: +61 8 6368 1195

#### Paul Adams

Managing Director  
Spectrum Metals Ltd  
Ph: +61 8 6368 1195

#### Dale Bryan

Head of Corporate Finance  
Hartleys Limited  
Ph: +61 8 9268 2829

## About Spectrum

Spectrum Metals Limited (ASX: SPX) is a domestic West Australian focussed gold exploration and development company concentrating on high-grade, brown fields assets that can leverage off existing infrastructure and add value through exploration and development.

Spectrum's strategy is to identify and explore under explored terrain and brownfields assets through the use of modern techniques and technology to maximise success.

The Company's principal asset is the Penny West Gold Project located 25km south of the Youanmi Mining Centre and approximately 550km north-east of Perth in Western Australia.

Spectrum announced a maiden JORC 2012 Mineral Resource Estimate of 799,000t at 13.8 g/t Au for 355,500oz contained gold at the Penny West Gold Project to the ASX on 24 October 2019.

## About Ramelius

Ramelius Resources Limited (ASX: RMS) is a Western Australian gold producer that has been listed on the ASX since 2003 and in production since 2006. Ramelius owns and operates the Mt Magnet, Edna May, Vivien and Marda gold mines and owns a 90% interest in the Tampia Hill gold project, all in Western Australia (refer Figure 2).

Ore from the high-grade Vivien underground mine, located near Leinster, is trucked to the Mt Magnet processing plant where it is blended with ore from both underground and open pit sources. The Edna May operation, purchased from Evolution Mining Limited in October 2017, currently processes ore from its underground operations and hauled ore from the Marda gold mine. A Tampia gold project decision-to-mine is expected in the March quarter, 2020.

Ramelius reported excellent financial and operational performance for Financial Year 2019. The Company reported Net Profit after Tax of A\$21.8M, the fifth consecutive annual profit reported by the company, after which an inaugural dividend of A\$0.01 per share was paid to eligible shareholders in October 2019.

The financial performance was achieved on the back of production of 196,679 ounces of gold at an AISC of A\$1,192/oz for the year. Further to this, Ramelius announced to the ASX on 30 July 2019 its forecast to produce 205,000-225,000 ounces of gold at an AISC of A\$1,225-\$1,325/oz for the 2020 Financial Year.

Ramelius Resources Limited	Spectrum Metals Limited
<p><b>ISSUED CAPITAL</b>            Ordinary Shares: 658M</p> <p><b>DIRECTORS</b>  <b>NON-EXECUTIVE CHAIRMAN:</b>            Kevin Lines  <b>MANAGING DIRECTOR:</b>            Mark Zeptner  <b>NON-EXECUTIVE DIRECTORS:</b>            Michael Bohm            David Southam            Natalia Streltsova</p> <p><b>COMPANY SECRETARY:</b>            Richard Jones</p> <p><a href="http://www.rameliusresources.com.au">www.rameliusresources.com.au</a>  <a href="mailto:ramelius@rameliusresources.com.au">ramelius@rameliusresources.com.au</a></p> <p><b>Registered Office</b>            Level 1, 130 Royal Street            East Perth, WA 6004            Tel +61 8 9202 1127</p>	<p><b>ISSUED CAPITAL</b>            Ordinary Shares: 1,386M</p> <p><b>DIRECTORS</b>  <b>EXECUTIVE CHAIRMAN:</b>            Alexander Hewlett  <b>MANAGING DIRECTOR:</b>            Paul Adams  <b>EXECUTIVE DIRECTOR:</b>            James Croser  <b>NON-EXECUTIVE DIRECTORS:</b>            Nader El Sayed            Les Davis</p> <p><b>COMPANY SECRETARY:</b>            Mark Pitts</p> <p><a href="http://www.spectrummetals.com.au">www.spectrummetals.com.au</a>  <a href="mailto:info@spectrummetals.com.au">info@spectrummetals.com.au</a></p> <p><b>Registered Office</b>            Suite 2, 827 Beaufort Street            Inglewood, WA 6052            Tel +61 8 6369 1195</p>

*Note: The information relating to the Penny West Mineral Resources is extracted from various market releases issued by Spectrum Metals Limited and referenced in this announcement. Spectrum Metals Limited is not aware of any new information or data that materially affects the information included in those announcements referenced. Spectrum Metals Limited confirms that all material assumptions and technical parameters underpinning the estimates in the relevant announcements continue to apply and the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

## ATTACHMENT 2 - ASX ANNOUNCEMENTS BY RAMELIUS

Date	Announcement
26 August 2019	FY19 Financial Results and Dividend
26 August 2019	FY19 Financial Results Presentation
10 September 2019	Resources and Reserves Statement 2019
12 September 2019	Resources and Reserves Statement 2019
12 September 2019	Vivien Life of Mine extension
17 September 2019	Denver Gold Forum Presentation
10 October 2019	September 2019 Quarter Production Update
21 October 2019	2019 Annual Report
24 October 2019	Symes' Find Exploration Update
29 October 2019	September 2019 Quarterly Activities Report
13 November 2019	Change in substantial holding from MUFG
21 November 2019	Ceasing to be a substantial holder from MUFG
22 November 2019	2019 AGM - Chairman's Address and MD Presentation
22 November 2019	Results of 2019 AGM
23 December 2019	Major increase of Eridanus Mineral Resource
10 January 2020	December 2019 Quarter Production Update
10 January 2020	Additional Information Statement
28 January 2020	Greenfinch Project Update
30 January 2020	December 2019 Quarterly Activities Report
10 February 2020	Ramelius makes Recommended Takeover Offer for Spectrum Metals
10 February 2020	Ramelius and Spectrum Metals Bid Implementation Agreement
21 February 2020	1H FY2020 Financial Results Conference Call details
24 February 2020	Appendix 4D and December 2019 Half Yearly Financial Report
24 February 2020	Financial Results for the Six Months to 31 December 2019
24 February 2020	Half Year Results Presentation
25 February 2020	Corporate Presentation including Eridanus composite intervals

## CORPORATE DIRECTORY

### **Ramelius Resources Limited**

ABN 51 001 717 540  
Level 1, 130 Royal Street  
East Perth WA 6010

### **Mt Magnet Gold Pty Ltd**

ABN 66 008 669 556  
Level 1, 130 Royal Street  
East Perth WA 6010

### **Ramelius share registrar for the Offer\***

Computershare Investor Services Pty Limited  
GPO Box 1326  
Adelaide SA 5000

### **Ramelius Offer Information Line**

1300 352 261 (within Australia)  
+61 3 9415 4301 from outside of Australia)  
The Offer Information Line is open Monday to Friday between  
8.30am to 5.30pm (AEDT)

### **Stock Exchange Listing**

Ramelius ordinary shares are quoted by the Australian  
Securities Exchange (ASX: RMS)

### **Financial Adviser**

Adelaide Equity Partners Limited  
Ground Floor, 70 Hindmarsh Square  
Adelaide SA 5000

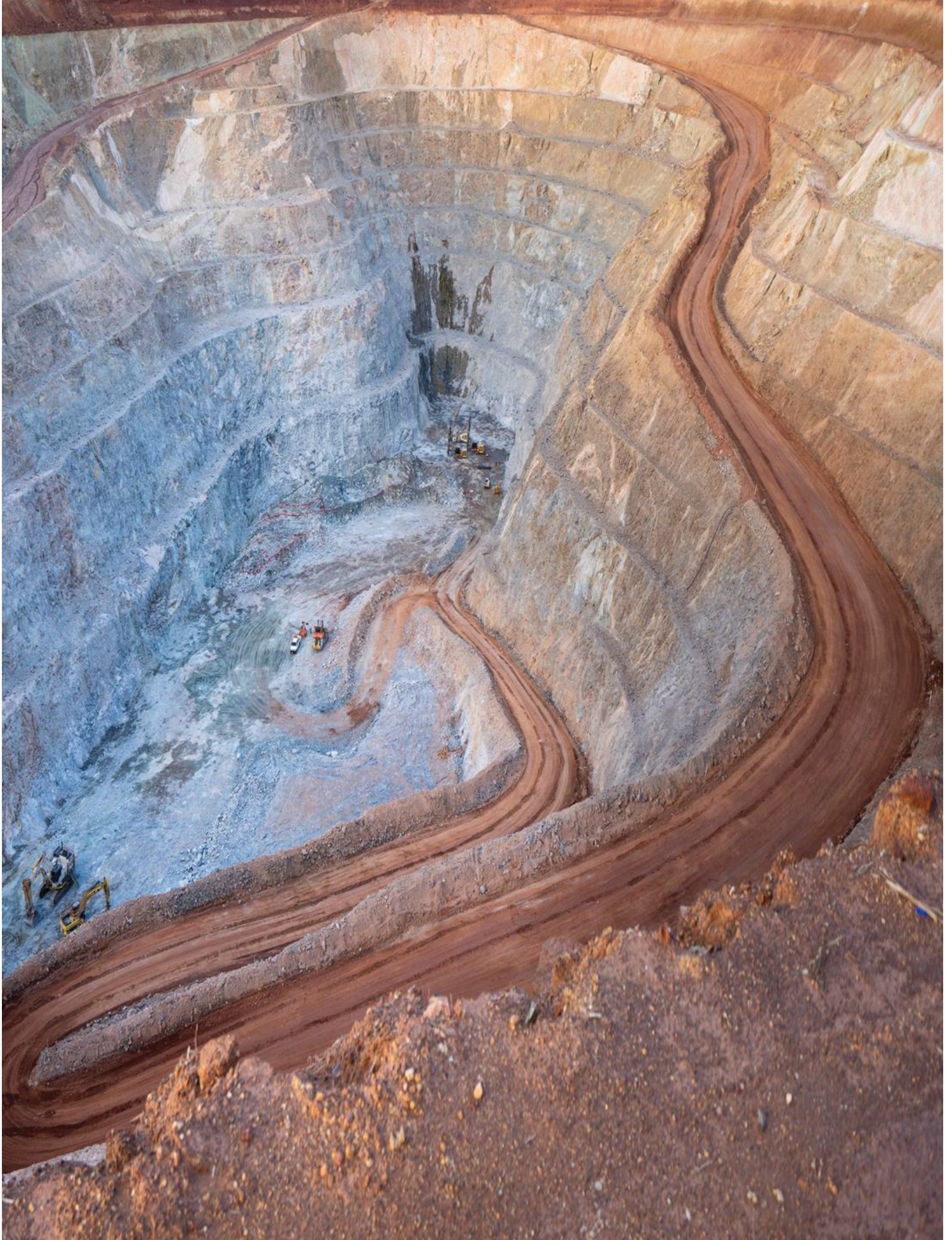
### **Legal Adviser for the Offer**

Allion Partners Pty Ltd  
Level 9, 863 Hay Street  
Perth WA 6000

### **Ramelius' Auditor\***

Deloitte Touche Tohmatsu  
Tower 2, Brookfield Place  
125 St Georges Terrace  
Perth WA 6000

\* *Information purposes only*







**Ramelius Resources  
Limited**  
ABN 51 001 717 540

## Return your Form:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne Victoria 3001  
Australia

## For all enquiries:



### Phone:

(within Australia) 1300 352 261  
(outside Australia) +61 3 9415 4301



RMS

MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

## Takeover Acceptance Form

## ISSUER

### Your form must be received by the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by Ramelius Resources Limited through its wholly-owned subsidiary Mt Magnet Gold Pty Ltd ABN 66 008 669 556 ("Ramelius") to acquire all of your Shares in Spectrum Metals Limited ("Spectrum") ABN (94 115 770 226) the terms of which are set out in the Bidder's Statement from Ramelius dated 28 February 2020 as replaced or supplemented (the "Bidders Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined. If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

### Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Spectrum register, as provided to Ramelius. The current address recorded by Ramelius is printed above and overleaf. If you have recently bought or sold Spectrum Shares your holding may differ from that shown. If you have already sold all your Spectrum Shares, do not complete or return this form.

### Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Spectrum Shares.

By signing this form, you warrant to Ramelius (and authorise Ramelius to warrant on your behalf) that you have full legal and beneficial ownership of the Spectrum Shares to which this form relates and that Ramelius will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

### Step 3: Foreign Resident Capital Gains Tax Withholding - No Withholding Declaration

Please refer to section 14.3 of the Bidder's Statement for further details before completing and signing the Acceptance Form.

By signing the Acceptance Form I/we declare that either:

- I/we are Australian tax resident(s); or
- I/we am/are **not** Australian tax resident(s) and the Spectrum Shares I/we, together with my/our 'associates' hold, are 'membership interests' but are **not** an 'indirect Australian real property interest' (as those terms are defined in either the *Income Tax Assessment Act 1997* or *Income Tax Assessment Act 1936*, as the case requires); and
- I/we declare that the information contained in this **Declaration** is true and correct.

#### Penalties apply to the making of a false declaration.

If you have any questions regarding the above declaration please call the Offer Information Line.

### Step 4: Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders must sign.

**Power of Attorney:** Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

**Companies:** Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

**Overseas Companies:** Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

**Deceased Estate:** All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

**Turn over to complete the form** →



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# Takeover Acceptance Form

## STEP 1 Registration Name & Offer Details

For your security keep your SRN/ HIN confidential.

**Registration Name:** MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

**Offer Details:** Securityholding as at 25 February 2020:

2000

By accepting the Offer for ALL of your Spectrum Shares, you are accepting the Offer for ALL of the Spectrum Shares as recorded by Ramelius as being held by you at the date your acceptance is processed (even if different to the number stated above).

## STEP 2 Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Spectrum Shares in Spectrum. The consideration applicable is set out in the terms of Ramelius's Offer.

**1 Ramelius Share for every 10 Spectrum Shares plus \$0.017 cash per Spectrum Share as consideration for ALL of my/our Spectrum Shares.**

If you are a Foreign Spectrum Shareholder or an Unmarketable Parcel Shareholder, you will not be entitled to receive Ramelius Shares and will be provided with the net proceeds of sale to which you are entitled under the Offer at a different time as per section 13.7 of the Bidder's Statement.

## STEP 3 Foreign Resident Capital Gains Tax Withholding - No Withholding Declaration

Please refer to section 14.3 of the Bidder's Statement for further details before completing and signing this Acceptance Form.

By signing the Acceptance Form I/we declare that either:

- I/we are Australian tax resident(s); or
- I/we am/are **not** Australian tax resident(s) and the Spectrum Shares I/we, together with my/our 'associates' hold, are 'membership interests' but are **not** an 'indirect Australian real property interest' (as those terms are defined in either the *Income Tax Assessment Act 1997* or *Income Tax Assessment Act 1936*, as the case requires); and
- I/we declare that the information contained in this **Declaration** is true and correct.

**Penalties apply to the making of a false declaration.**

If you have any questions regarding the above declaration please call the Offer Information Line.

## STEP 4 Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by Ramelius for Spectrum Shares in Spectrum and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our Spectrum Shares as per the above instruction.

Individual or Securityholder 1

Sole Director and Sole Company Secretary/  
Sole Director (cross out titles as applicable)

Securityholder 2

Director

Securityholder 3

Director/Company Secretary  
(cross out titles as applicable)

Contact  
Name \_\_\_\_\_

Contact  
Daytime  
Telephone \_\_\_\_\_

Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_

## Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by Ramelius Resources Limited. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or by emailing [privacy@computershare.com.au](mailto:privacy@computershare.com.au). We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to Ramelius Resources Limited or to third parties upon direction by Ramelius Resources Limited where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at [privacy@computershare.com.au](mailto:privacy@computershare.com.au) or see our Privacy Policy at <http://www.computershare.com/au>.



# Ramelius Resources Limited

ABN 51 001 717 540

## Return your Form:



### To Your Controlling Participant:

Return this form directly to your stockbroker



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne Victoria 3001  
Australia

## For all enquiries:

### Phone:



(within Australia) 1300 352 261

(outside Australia) +61 3 9415 4301

RMS

MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

## Takeover Acceptance Form

CHESS

### Your form must be received with sufficient time to allow processing prior to the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by Ramelius Resources Limited through its wholly-owned subsidiary Mt Magnet Gold Pty Ltd ABN 66 008 669 556 ("Ramelius") to acquire all of your Shares in Spectrum Metals Limited ("Spectrum") ABN (94 115 770 226) the terms of which are set out in the Bidder's Statement from Ramelius dated 28 February 2020 as replaced or supplemented (the "Bidders Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

### Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Spectrum register, as provided to Ramelius.

The current address recorded by Ramelius is printed above and overleaf. If you have recently bought or sold Spectrum Shares your holding may differ from that shown. If you have already sold all your Spectrum Shares, do not complete or return this form.

### Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Spectrum Shares.

As your Spectrum Shares are in a CHESS holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept the Offer. If you do this, your Controlling Participant will provide you with details as to what they require in order to accept the Offer on your behalf. If you want Ramelius to contact your Controlling Participant on your behalf, sign and return this form to the address above so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise Ramelius and Computershare Investor Services Pty Limited ("CIS") to request your Controlling Participant to initiate acceptance of the Offer on your behalf.

By signing this form, you warrant to Ramelius (and authorise Ramelius to warrant on your behalf) that you have full legal and beneficial ownership of the Spectrum Shares to which this form relates and that Ramelius will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

You should allow sufficient time for your Controlling Participant or Ramelius to initiate the acceptance of Ramelius's Offer on your behalf. Neither Ramelius or CIS will be responsible for any delays incurred by the process of requesting your Controlling Participant to accept the Offer.

### Step 3: Foreign Resident Capital Gains Tax Withholding - No Withholding Declaration

Please refer to section 14.3 of the Bidder's Statement for further details before completing and signing the Acceptance Form.

By signing the Acceptance Form I/we declare that either:

- I/we are Australian tax resident(s); or
- I/we am/are **not** Australian tax resident(s) and the Spectrum Shares I/we, together with my/our 'associates' hold, are 'membership interests' but are **not** an 'indirect Australian real property interest' (as those terms are defined in either the *Income Tax Assessment Act 1997* or *Income Tax Assessment Act 1936*, as the case requires); and
- I/we declare that the information contained in this **Declaration** is true and correct.

### Penalties apply to the making of a false declaration.

If you have any questions regarding the above declaration please call the Offer Information Line.

### Step 4: Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders must sign.

**Power of Attorney:** Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

**Companies:** Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

**Overseas Companies:** Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

**Deceased Estate:** All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

**Turn over to complete the form** →



X 2222222222 IND

# Takeover Acceptance Form

## STEP 1 Registration Name & Offer Details

For your security keep your SRN/ HIN confidential.

Registration Name: MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

Controlling Participant Identifier:

Offer Details: Securityholding as at 25 February 2020:

2000

By accepting the Offer for ALL of your Spectrum Shares, you are accepting the Offer for ALL of the Spectrum Shares as recorded by Ramelius as being held by you at the date your acceptance is processed (even if different to the number stated above).

## STEP 2 Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Spectrum Shares in Spectrum. The consideration applicable is set out in the terms of Ramelius's Offer.

**1 Ramelius Share for every 10 Spectrum Shares plus \$0.017 cash per Spectrum Share as consideration for ALL of my/our Spectrum Shares.**

If you are a Foreign Spectrum Shareholder or an Unmarketable Parcel Shareholder, you will not be entitled to receive Ramelius Shares and will be provided with the net proceeds of sale to which you are entitled under the Offer at a different time as per section 13.7 of the Bidder's Statement.

## STEP 3 Foreign Resident Capital Gains Tax Withholding - No Withholding Declaration

Please refer to section 14.3 of the Bidder's Statement for further details before completing and signing this Acceptance Form.

By signing the Acceptance Form I/we declare that either:

- I/we are Australian tax resident(s); or
- I/we am/are **not** Australian tax resident(s) and the Spectrum Shares I/we, together with my/our 'associates' hold, are 'membership interests' but are **not** an 'indirect Australian real property interest' (as those terms are defined in either the *Income Tax Assessment Act 1997* or *Income Tax Assessment Act 1936*, as the case requires); and
- I/we declare that the information contained in this **Declaration** is true and correct.

**Penalties apply to the making of a false declaration.**

If you have any questions regarding the above declaration please call the Offer Information Line.

## STEP 4 Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by Ramelius for Spectrum Shares in Spectrum and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our Spectrum Shares as per the above instruction.

Individual or Securityholder 1

Sole Director and Sole Company Secretary/  
Sole Director (cross out titles as applicable)

Securityholder 2

Director

Securityholder 3

Director/Company Secretary  
(cross out titles as applicable)

Contact  
Name

Contact  
Daytime  
Telephone

Date / /

## Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by Ramelius Resources Limited. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or by emailing [privacy@computershare.com.au](mailto:privacy@computershare.com.au). We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to Ramelius Resources Limited or to third parties upon direction by Ramelius Resources Limited where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at [privacy@computershare.com.au](mailto:privacy@computershare.com.au) or see our Privacy Policy at <http://www.computershare.com/au>.