

12 October 2018

Dear Explaurum shareholder,

Please find enclosed the Target's Statement from Explaurum Limited (ASX:EXU) (Explaurum) in relation to the unsolicited and conditional takeover offer from Ramelius Resources Limited (Ramelius Offer).

The document contains important information in relation to your investment and on behalf of the Explaurum Board of Directors I encourage you to read the document in its entirety.

For reasons outlined in detail in the Target's Statement, the Board unanimously recommends that Explaurum shareholders **REJECT** the Ramelius Offer. The Directors personally intend to reject the Ramelius Offer for all of the Explaurum Shares that they hold.

To **REJECT** the Ramelius Offer, simply ignore all correspondence and acceptance forms sent to you by Ramelius.

The Explaurum Board of Directors will continue to keep shareholders fully informed throughout this process.

In order to increase the speed of our shareholder communication and minimise costs, I am asking all Explaurum shareholders to consider signing up for electronic correspondence from the Company if you have not already done so.

This can be done simply and quickly through the Explaurum website ([www.explaurum.com](http://www.explaurum.com)) by clicking on the "Sign up for email alerts" button on the homepage, or by adding your email address to your information on our share registry. To do this, please follow the Share Registry link within the "Investors" section of the Explaurum website.

Should you require any further information about the Ramelius Offer, please contact the Explaurum Shareholder Information Line on 1300 362 398 (within Australia) or +61 2 8355 1004 (outside Australia) between 8:30am and 5:00pm (AEDT) Monday to Friday.

On behalf of the Explaurum Board of Directors, I thank you for your continued support.

Yours sincerely,



Chris Baker  
Chairman

# TARGET'S STATEMENT



The Directors of Explaurum Limited unanimously recommend that you

## REJECT

the inadequate and opportunistic takeover offer from Ramelius Resources Limited to acquire your Explaurum shares

**TO REJECT RAMELIUS' OFFER**



**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU SHOULD READ ALL OF THE DOCUMENT. IF YOU ARE IN DOUBT AS TO WHAT YOU SHOULD DO YOU SHOULD CONSULT YOUR INVESTMENT, FINANCIAL, TAXATION OR OTHER PROFESSIONAL ADVISOR.**

**IF YOU HAVE ANY QUESTIONS. PLEASE CONTACT THE EXPLAURUM SHAREHOLDER INFORMATION LINE ON 1300 362 398 (WITHIN AUSTRALIA) OR +61 2 8355 1004 (OUTSIDE AUSTRALIA) BETWEEN 8.30AM AND 5.00PM (AEST) MONDAY TO FRIDAY.**

Financial Advisor

**IRONSTONE | CAPITAL**

Legal Advisor

**THOMSON GEER**  
LAWYERS

# Important Notices

## Nature of this document

This document is the Target's Statement dated 12 October 2018 issued by Explaurum Limited under Part 6.5 of the Corporations Act in response to the Offer made pursuant to the Bidder's Statement which was served on Explaurum by Ramelius on 10 September 2018 as amended by a Supplementary Bidder's Statement lodged with ASIC on 29 September 2018. A copy of this Target's Statement has been lodged with ASIC and sent to ASX. None of ASIC, ASX or any of their respective officers take any responsibility for the content of this Target's Statement. You should read this Target's Statement in its entirety.

## Defined terms

A number of defined terms are used in this Target's Statement. These terms are explained in the glossary in Section 10. In addition, unless a contrary intention appears or the context requires otherwise, words and phrases used in this Target's Statement have the same meaning and interpretation as in the Corporations Act.

## No account of personal circumstances

This Target's Statement does not take into account the individual investment objectives, financial or tax situation or particular needs of any particular Explaurum Shareholder. Your Directors encourage you to seek independent financial, tax or other professional advice before making a decision whether or not to accept the Offer.

## Forward looking statements

This Target's Statement contains various forward looking statements. You should be aware that such statements, while considered reasonable by Explaurum at the time, are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Explaurum operates as well as general economic conditions and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected.

None of Explaurum, any of its officers or employees, or any person named in this Target's Statement with their consent or any person involved in the preparation of this Target's Statement makes any representation or warranty (either 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. Forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement. Any forward looking statement in this Target's Statement is qualified by this cautionary statement and should be read in conjunction with other announcements made by Explaurum to ASX.

## Risk factors

Explaurum Shareholders should note that there are a number of risks associated with the Offer, becoming a Ramelius Shareholder if they accept the Offer, and remaining a Explaurum Shareholder if they reject the Offer. See Section 8 of this Target's Statement for further information on those risks.

## Foreign Explaurum Shareholders

If your address on the Explaurum share register is in a jurisdiction other than in Australia or New Zealand, you will be a Foreign Explaurum Shareholder. If you are a Foreign Explaurum Shareholder you are entitled to accept the Offer, 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 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. See Sections 11.10 and 12.7 of the Bidder's Statement for further details.

## Privacy

Explaurum has collected your information from the register of Explaurum Shareholders for the purpose of providing you with this Target's Statement. The type of information Explaurum has collected about you includes your name, contact details and information about your shareholding in Explaurum. Without this information, Explaurum would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the names and addresses of Explaurum Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to Explaurum's Related Bodies Corporate and external service providers (such as Explaurum's share registry and print and mail service providers) and may be required to be disclosed to regulators such as ASIC.

## Foreign jurisdictions

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions 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 laws or regulations. This Target's Statement has been prepared solely in accordance with Australian law.

## Maps and diagrams

Any diagrams, charts, graphs and tables appearing in this Target'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 as at the date of this Target's Statement.

## Rounding

All numbers of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Target's Statement are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in the Target's Statement.

## Disclaimer as to information

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

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## Key Dates

Key Events	Date
Announcement of Offer	10 September 2018
Bidder's Statement lodged with ASIC and ASX	10 September 2018
Supplementary Bidder's Statement lodged with ASIC and ASX	20 September 2018
Bidder's Statement (and Supplementary Bidder's Statement) despatched to Explaurum's Shareholders	25 September 2018
Offer Period opens	25 September 2018
Completion of despatch of Bidder's Statement and Supplementary Bidder's Statement	27 September 2018
Date of this Target's Statement	12 October 2018
Offer Period ends (unless extended by Ramelius)	25 October 2018
Indicative date for ASX update on Mace Discovery	9 November 2018
If Offer Period extended and remains open - indicative date for Independent Expert's Report in relation to the Ramelius Offer	16 November 2018

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## Chairman's Letter

12 October 2018

Dear Explaurum Shareholder

### **REJECT RAMELIUS' OPPORTUNISTIC AND INADEQUATE OFFER**

Until recently, Explaurum's focus was solely on the exploration of what we believe to be an exciting new gold field in the wheatbelt of Western Australia, the development of the Tampia Gold Project and the operations of the Company.

#### **Prior engagement with Ramelius**

In earlier discussions we gently declined an invitation to enter into an acquisition discussion with Ramelius. Our position at that time, as explained to Ramelius, was that we were in the process of providing our shareholders with important information in the coming months and that our preference was to engage once this information was available. This would enable the market to better understand the opportunity that we have been developing at Tampia.

In the week prior to the opportunistically timed hostile offer Explaurum did engage in good faith with Ramelius. The purpose of this meeting, held in Sydney on 6 September 2018, was to discuss Ramelius's interest in Explaurum and to exchange information relevant to that interest. Again, our focus in the discussion was on the current work program and the expected uplift in value this would provide for shareholders.

During these discussions, Ramelius was provided the opportunity to work constructively with Explaurum in parallel with the completion of our ongoing work programs so that Ramelius could reflect these outcomes in any proposal. We also sought to better understand the Ramelius business and their thinking on how Tampia might integrate into their operations.

Given the tone and content of that meeting, your Board was surprised, and concerned, when Ramelius abruptly discontinued discussions. They declined the opportunity to enter due diligence and the opportunity to be in a better position to assess value, and elected to proceed with their unsolicited and highly opportunistic offer to the market on 10<sup>th</sup> September 2018.

We note that in the week following the takeover offer that Ramelius released significant information in relation to their business, being the acquisition of Marda and the decision to mine underground at Edna May where currently they have underground reserves of 61,000 oz only.

#### **REJECT Ramelius' Offer**

You will have recently received from Ramelius Resources Limited its unsolicited and conditional scrip offer to acquire all of your shares in Explaurum.

The Board unanimously recommends that Explaurum Shareholders **REJECT** the Ramelius Offer. The Directors personally intend to reject the Ramelius Offer for all of the Explaurum Shares that they hold.

To **REJECT** the Ramelius Offer, simply ignore all acceptance forms sent to you by Ramelius.

This Target's Statement sets out the reasons why you should **REJECT** the Ramelius Offer. We encourage you to read this document in its entirety.

The Directors recommend you **REJECT** the Offer for the following key reasons:

1. The Offer Consideration is inadequate and does not reflect the underlying value of Explaurum's Tampia Gold Project and the potential exploration upside
2. The timing of the Offer is highly opportunistic and made at a time when not all potentially material information is available to Explaurum Shareholders
3. By accepting the Offer without all potentially material information, Explaurum Shareholders risk making a decision which is not fully informed and will not be able to accept a superior offer from another bidder if such an offer is made.
4. Ramelius' plan for the future development and operation of the Tampia Project and the Mace Discovery is uncertain
5. Explaurum has an existing clear strategy and plan to develop the Tampia Project
6. By accepting the Offer and becoming a Ramelius Shareholder, Explaurum Shareholders would reduce their exposure to the Tampia Project - a higher grade, longer life asset with forecast lower operating costs than the Ramelius assets– and the Mace Discovery

Your directors believe that the Offer undervalues Explaurum, dilutes Explaurum Shareholders' exposure to a high quality asset and creates uncertainty over the development of the Tampia Gold Project – a project that is one of the highest margin undeveloped gold projects in Australia.

We also note that a key reason for Explaurum's success at Tampia is the investment your company has made in the local community and in the local township, Narambeen. This has been led by our Managing Director John Lawton and supported by our staff, and contractors, on site. As a company we have placed a high priority on working with land owners and locals and earning their respect and support. This will remain a high priority for your Board as we respond to this hostile and unsolicited bid from Ramelius.

### **Tampia Gold Project**

Since the release of the Tampia Feasibility Study in May 2018, Explaurum has been working on potential value enhancements to the Tampia Gold Project including:

- undertaking Tampia infill drilling;
- the assessment of the Mace Discovery – this has the potential to improve the economics of the Tampia Project through the potential value of the additional ounces rather than the potential number of additional ounces - the grade, mineralogy, depth and nature of the host material all indicate that the Mace Discovery has high potential to provide early, low cost ounces that will lead to significant economic improvements (in particular to the first year's production, operating costs and payback) from the announced Feasibility Study.

An update in relation to the Mace Discovery – targeting a JORC-compliant Indicated Mineral Resource estimate and a scoping study in relation to the inclusion of the Mace Discovery as part of the Tampia Project - is expected on or about 9 November 2018;

- optimisations designed to reduce operating costs and capital costs; and
- the prospectivity of the Anomaly 8 exploration target. Although Explaurum's understanding of the geology and structure of the Anomaly 8 area is at an early stage, results to date indicate that Explaurum is within a large mineralised system with similar characteristics to the Tampia resource and with potential significant upside. Recent results also confirm the suitability of Explaurum's exploration model for assessing the potential for a new gold field within our tenements.

Explaurum's present intention is to obtain an Independent Expert's Report by BDO Corporate Finance (Qld) Limited in relation to the Ramelius Offer as soon as possible after the Mace Update, if the Offer Period has not expired by the date the Independent Expert's Report becomes available, and to provide that report to Explaurum Shareholders in a supplementary target's statement.

The Independent Expert's Report is expected to value Explaurum and its assets (including the Tampia Project, the Mace Discovery and Explaurum's other exploration assets) and compare it with the Ramelius Offer and report as to whether the Ramelius Offer is fair and reasonable.

**Next steps**

I urge you to read this Target's Statement carefully in its entirety and be cognisant of the potential new and material information which may be contained in the Mace Update and Independent Expert's Report (if the Offer Period has not expired by the time it becomes available), which are expected to be made available to Shareholders on 9 November 2018 and 16 November 2018 respectively.

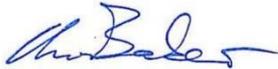
By accepting the Offer before you have all potentially material information, you risk making a decision which is not fully informed and, except in limited circumstances<sup>1</sup>, will be unable to:

- withdraw their acceptance and change their decision should new material information emerge; or
- withdraw their acceptance and accept a potential superior offer if a superior offer emerges.

Your Explaurum Directors remain committed to the interests of Shareholders and continue to be focused on the development of the Tampia Gold Project and pursuing all options available to them to maximise value for Explaurum Shareholders. Your Directors will continue to keep you informed on all material developments in relation to the Offer.

On behalf of your Explaurum Directors, I thank you for your consideration and continued support.

Yours sincerely,



**Chris Baker**  
Non-Executive Chairman  
Explaurum Limited

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<sup>1</sup> Unless any withdrawal rights apply at the applicable time and you withdraw your acceptance of the Offer, or the Offer lapses

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## Key Reasons why you should reject the Ramelius Offer

<b>1</b>	<b>The Offer Consideration is inadequate and does not reflect the underlying value of Explaurum's Tampia Gold Project and the potential exploration upside</b>
<b>2</b>	<b>The timing of the Offer is highly opportunistic and made at a time when not all potentially material information is available to Explaurum Shareholders</b>
<b>3</b>	<b>By accepting the Offer without all potentially material information, Explaurum Shareholders risk making a decision which is not fully informed and will not be able to accept a superior offer from another bidder if such an offer is made<sup>2</sup></b>
<b>4</b>	<b>Ramelius' plan for the future development and operation of the Tampia Gold Project and the Mace Discovery is uncertain</b>
<b>5</b>	<b>Explaurum has an existing clear strategy and plan to develop the Tampia Gold Project</b>
<b>6</b>	<b>By accepting the Offer and becoming a Ramelius Shareholder, Explaurum Shareholders would reduce their exposure to the Tampia Gold Project - a higher grade, longer life asset with forecast lower operating costs than the Ramelius assets – and the Mace Discovery</b>

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<sup>2</sup> Unless any withdrawal rights apply at the applicable time and accepting shareholders withdraw their acceptance of the Offer, or the Offer lapses.

# 1. Key Reasons why you should Reject Ramelius' Offer

## 1.1 The Offer Consideration is inadequate and does not reflect the underlying value of Explaurum's Tampia Gold Project and the potential exploration upside

### 1.1.1 The Offer undervalues Explaurum

- Your Directors believe that the **Offer undervalues Explaurum's assets** which comprise:
  - **Explaurum's 90% interest in the Tampia Gold Project** – the Offer is below Explaurum's share of the ungeared, post-tax valuation for the base case Tampia Gold Project set out in the Tampia Feasibility Study released in May 2018. Explaurum's Feasibility Study announced in May 2018 confirmed Tampia as one of the highest margin undeveloped gold projects in Australia;
  - **Potential value enhancements** – the Offer does not place adequate value on the following factors which have strong potential to increase the overall value of the Tampia Gold Project and Explaurum Shares:
    - the Tampia infill drilling results;
    - the assessment of the Mace Discovery – this has the potential to improve the economics of the Tampia Project through the potential value of the additional ounces rather than the potential number of additional ounces - the grade, mineralogy, depth and nature of the host material all indicate that the Mace Discovery has high potential to provide early, low cost ounces that will lead to significant economic improvements (in particular to the first year's production, operating costs and payback) from the announced Feasibility Study.

An update in relation to the Mace Discovery – targeting a JORC-compliant Indicated Mineral Resource estimate and a scoping study in relation to the inclusion of the Mace Discovery as part of the Tampia Gold Project - is expected on or about 9 November 2018;
    - optimisations designed to reduce operating costs and capital costs in the Feasibility Study; and
    - the prospectivity of the Anomaly 8 exploration target. Although Explaurum's understanding of the geology and structure of the Anomaly 8 area is at an early stage, results to date indicate that Explaurum is within a large mineralised system with similar characteristics to the Tampia resource and with potential significant upside. Recent results also confirm the suitability of Explaurum's exploration model for assessing the potential for a new gold field within our tenements.
  - **Potential exploration upside** – the Tampia province is an unexplored greenstone belt with multiple, highly-prospective gravity and soil anomaly confirmed drill targets. None of this potential value is reflected in the Offer.
- Furthermore your Directors believe the Offer Consideration is inadequate given:
  - **Disproportionate contribution to merged group** – Explaurum would contribute 41%<sup>3</sup> of the merged group's attributable reserves yet only receive a shareholding of 19%<sup>4</sup> of the merged group under the Offer.

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<sup>3</sup> As at 19<sup>th</sup> September 2018, calculation includes 100% of Tampia.

<sup>4</sup> Assuming full acceptance of the Offer.

### 1.1.2 Value of the Offer is dependent on the value of Ramelius shares

As the Offer Consideration comprises 100% Ramelius scrip, with no cash alternative or component, the underlying value that Explaurum Shareholders would ultimately receive is entirely dependent on the market value of Ramelius at the time the Offer is effected. Given the hostile nature of the Offer, Explaurum has not had the opportunity to conduct due diligence on Ramelius and its underlying assets. Your Directors believe the following material points in relation to Ramelius should be considered when assessing the Offer:

- **Asset quality** – Ramelius’ operating mines, taken together, have a shorter Reserve life (including 2.5 years for Edna May underground<sup>5</sup>), higher AISC (\$1,191/oz overall AISC in 2018; A\$1,242/oz AISC forecast for Edna May underground), and lower grade Reserves (overall grade of 1.6 g/t for Ore Reserves, with Edna May’s overall grade at 1.1 g/t) compared to the Tampia feasibility study. Your Directors believe that the Offer does not appropriately compensate Explaurum Shareholders for the dilution in asset quality; and
- **Operational risks** - Edna May’s transition from an open pit mine to an underground mine presents operational risks that have not yet been fully addressed by Ramelius.

### 1.2 The Offer is highly opportunistic in its timing and made at a time when not all potentially material information is available to Explaurum Shareholders

The timing of the Offer is highly opportunistic. Ramelius abruptly withdrew from commercial discussions with Explaurum to launch its Offer. As a result, Explaurum Shareholders are now being asked to make a decision about the value of Explaurum Shares and Ramelius Shares before all potentially material information is available to Explaurum Shareholders.

Potentially material information about Explaurum and when it is expected to be available includes:

Indicative date	Information about Explaurum
Friday 9 November 2018	<p><b>Mace Update</b> – this will comprise:</p> <ul style="list-style-type: none"> <li>• <b>Mineral Resource estimate</b> – an update targeting a JORC-compliant Indicated Mineral Resource estimate for the Mace Discovery; and</li> <li>• <b>Scoping study</b> – if there is an Indicated Mineral Resource estimate, a scoping study in relation to the inclusion of the Mace Discovery as part of the Tampia Gold Project.</li> </ul>
Friday 16 November 2018	<p><b>Independent Expert's Report by BDO Corporate Finance (QLD) Ltd</b> – Explaurum’s present intention is to obtain this report in relation to the Ramelius Offer as soon as possible after the Mace Update, if the Offer Period has not expired by the date the Independent Expert's Report becomes available, and to provide that report to Explaurum Shareholders in a supplementary target's statement.</p> <p>The Independent Expert's Report is expected to value Explaurum and its assets (including the Tampia Gold Project (as described in the May 2018 Tampia Feasibility Study), the Mace Discovery and Explaurum’s other exploration assets) and compare it with the Ramelius Offer and report as to whether the Ramelius Offer is fair and reasonable.</p>

<sup>5</sup> Initial mine life based on Edna May underground pre-feasibility study.

Indicative date	Information about Explaurum
December 2018	<b>Bankable Feasibility Study</b> – this will be a comprehensive feasibility report in relation to the Tampia Gold Project (including the enhancements from the Mace Discovery, cost optimisations and early Anomaly 8 results) to enable Explaurum to attract the necessary finance for the construction and commissioning of the Tampia Gold Project. The BFS will be subject to finalising all necessary permits (for example for water use rights).

Potentially material information about Ramelius that is not available is set out in Section 1.1 above.

### 1.3 By accepting the Offer without all potentially material information, Explaurum Shareholders risk making a decision which is not fully informed and will not be able to accept a superior offer from another bidder if such an offer is made<sup>6</sup>

Your Directors believe that before any change of control proposals are considered it is in Explaurum Shareholders' best interests that the Explaurum Shareholders wait until this information is available and have a reasonable opportunity to consider it.

By accepting the Offer, except in limited circumstances, accepting Shareholders will be unable to change their decision and withdraw their acceptances, if:

- new information emerges; or
- a superior offer emerges.

### 1.4 Ramelius' plan for the future development and operation of the Tampia Gold Project and the Mace Discovery is uncertain

Ramelius has not provided Explaurum Shareholders with a clear plan on how they intend to develop the Tampia Gold Project if they obtain control of Explaurum.

Specifically, Ramelius has not explained to Explaurum Shareholders how Ramelius will be able to consolidate the Edna May and Tampia Gold Project in a way that will 'realise significant cost savings or operational synergies'

Ramelius' has stated that it will conduct a '*comprehensive Strategic Review*'. But it has warned that both its ability to undertake and implement that review in the first instance and the outcome of that review, is uncertain. The uncertainties about the feasibility of using the Edna May facilities to treat Tampia ore include:

- the trucking costs of transporting Tampia ore 140kms to the Edna May plant and the capacity of existing road infrastructure;
- whether Ramelius is granted Shire approval to haul Tampia ore from the mine site to Edna May over public roads;
- the compatibility of Tampia ore with the Edna May plant;
- other operational and cost implications associated with the Ramelius decision to move from open pit mining to underground mining at Edna May;

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<sup>6</sup> Unless any withdrawal rights apply at the applicable time and accepting shareholders withdraw their acceptance of the Offer, or the Offer lapses.

- the capital costs of any upgrades or modifications associated with using the Edna May plant to process Tampia ore;
- doubt as to whether Explaurum shareholders benefit from having the Tampia ore at Edna May rather than through a stand alone processing facility at Tampia;
- the priority that Ramelius would place on developing the Tampia Gold Project over its other existing projects; and
- the impact of developing the Tampia Gold Project on Ramelius' other existing projects and infrastructure.

There is material risk that the Strategic Review will reveal issues that will negatively impact the potential benefits from the integration of Tampia with Ramelius' existing operations and there is material uncertainty about whether Ramelius can realise potential synergies by using its Edna May operation to process Tampia ore.

### 1.5 Explaurum has an existing clear strategy and plan to develop the Tampia Gold Project

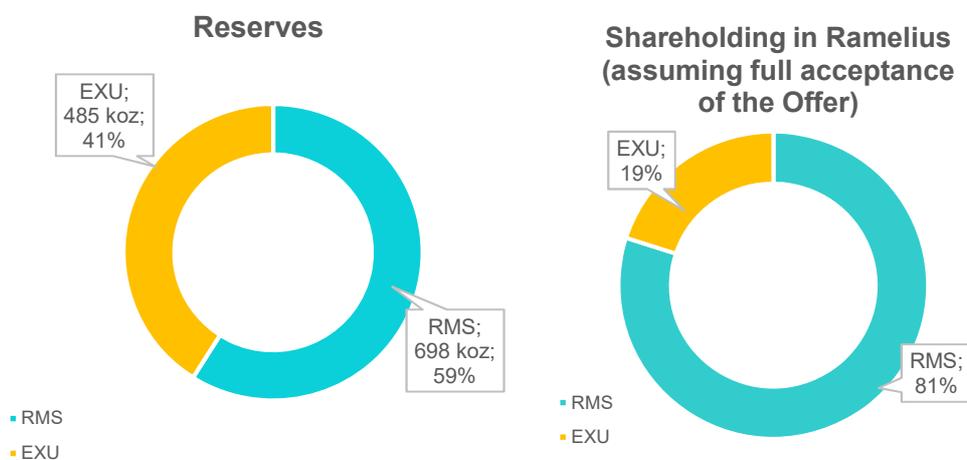
Explaurum is working to a plan and timetable which is clear and is progressing. Based on the current development plan, Explaurum expects to be in a position to make a final investment decision by Q1 of 2019 with construction to commence as soon as practicable thereafter.

Explaurum has also received local community support for the Tampia Gold Project which is significant given its history and location. Landowner and local community support for the project is based on a careful and considered project development strategy that promotes local development and employment, deeply considers social and environmental aspects and seeks to actively minimise local community impacts.

### 1.6 By accepting the Offer and becoming a Ramelius Shareholder, Explaurum Shareholders would reduce their exposure to the Tampia Gold Project - a higher grade, longer life asset with forecast lower operating costs than the Ramelius assets – and the Mace Discovery

Explaurum Shareholders are being asked to heavily dilute their exposure to Tampia, a high-grade open-pit development project with forecast low operating costs and significant potential resource upside.

In exchange, Explaurum Shareholders are being asked to accept predominant exposure to a more mature portfolio of assets with a higher cost production profile and a shorter reserve life.<sup>7</sup>



<sup>7</sup> 100% of Tampia's reserves are applied in the calculation of the 41% contribution to the merged group.

*[Intentionally left blank]*

## 2. Directors' Recommendation – REJECT

### 2.1 Directors' recommendation

After taking into account each of the matters in the Bidder's Statement and this Target's Statement, each of your Directors unanimously recommend that you **REJECT** the Ramelius Offer and ignore all documents released and sent by Ramelius in relation to the Offer, for the reasons set out in Section 1 of this Target's Statement.

Before responding to the Offer, your Directors strongly encourage you to:

- carefully read and consider the Bidder's Statement and this Target's Statement in their entirety
- consider your individual risk profile, portfolio strategy, tax position and financial circumstances;
- evaluate the options available to you and ensure that you understand the consequences of those options, which are set out in Section 3 of this Target's Statement; and
- seek independent financial, legal, taxation or other professional advice if you have questions about how you should respond to the Offer

### 2.2 Intentions of your Directors in relation to the Explaurum Shares in which they have a relevant interest

Each Explaurum Director who has a relevant interest in Explaurum Shares intends to reject the Offer for all of the Explaurum Shares in which they have a relevant interest. Details of the relevant interests of each Explaurum Director in Explaurum Shares are set out in Section 9.2.2 of this Target's Statement.

### 3. Choices as an Explaurum shareholder

Your Directors unanimously recommend you **REJECT** the Offer and do nothing, however as a Shareholder you have the following choices available to you:

- Reject the Offer by doing nothing
- Sell your Explaurum Shares on market
- Accept the Offer

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

#### 3.1 Option 1 - Reject the Offer by doing nothing

Explaurum Shareholders who wish to reject the Offer should simply do nothing. This is your Directors' recommendation.

You are not required to take any action in order to reject the Offer and you should not respond to any documents sent to you by Ramelius or any other correspondences (including telephone solicitation or email) by Ramelius or its representatives.

However, if you decide to do nothing, you should be aware of the risks associated with rejecting the Offer. Refer to Section 8 of this Target's Statement for further information of these risks.

#### 3.2 Option 2 – Sell your Explaurum Shares on market

Provided you have not already accepted the Offer, you may elect to sell some or all your Explaurum Shares on-market through ASX at the prevailing market price for cash.

If you sell your Explaurum Shares on-market, you:

- will lose the ability to accept Ramelius' Offer and receive the Offer Consideration (and any subsequent higher offer from Ramelius);
- will lose the ability to participate in any future growth potential of Explaurum;
- will not be able to accept a higher competing offer for your Explaurum Shares, if such an offer is made;
- may incur a brokerage charge on the sale; and
- may be liable to pay tax on the sale.

Explaurum Shareholders who wish to sell their Shares on-market should contact their broker for information and seek professional advice regarding the tax implications from such a sale.

#### 3.3 Option 3 – Accept the Offer

You may choose to accept the Offer. Explaurum Shareholders who decide to accept the Offer:

- will not receive the Offer Consideration unless and until each of the Offer Conditions are satisfied or waived;
- will not be able to withdraw their acceptance and sell their Explaurum Shares or deal with them in any other manner (such as accepting a superior offer from another bidder), unless any withdrawal rights apply at the applicable time and you withdraw your acceptance of the Offer, or the Offer lapses;
- will exit their investment in Explaurum and will not benefit if the market price for Explaurum Shares on the ASX trades above the Offer Price; and
- may be liable to pay tax on the disposal of their Explaurum Shares which may have financial consequences for some Explaurum Shareholders.

Details of the Offer Consideration that you will receive if you accept the Offer are set out in Section 7 as well as in the Bidder's Statement. The consequences of accepting the Offer and the limited circumstances in which acceptances of the Offer may be withdrawn are set out in Section 12.5 of the Bidder's Statement.

Section 12.3 in the Bidder's Statement and the acceptance form provided to you by Ramelius contain details on how to accept the Offer.

## 4. Frequently Asked Questions

Question	Answer	Reference
<b>The Offer</b>		
What is this Target's Statement?	This Target's Statement is Explaurum's formal response to Ramelius' Offer, including the recommendation of your Directors to <b>REJECT AND TAKE NO ACTION</b> in relation to the Offer.	N/A
What is the Bidder's Statement	The Bidder's Statement is the document prepared by Ramelius and sets out the terms and conditions to the Offer. This comprises the Bidder's Statement and Supplementary Bidder's Statement lodged with ASIC and released on to ASX on 10 September 2018 and 20 September 2018 respectively.	N/A
What is the Offer?	Ramelius is offering 1 Ramelius Share for every 4 Explaurum Shares held.	Section 7 of the Target's Statement Section 12 of the Bidder's Statement
Who is Ramelius?	Ramelius is an ASX listed, Western Australian focused gold explorer, developer and producer.	Section 6 of the Target's Statement
	Refer to Section 4 of the Bidder's Statement and Section 6 of the Target's Statement for further information about Ramelius.	Section 4 of the Bidder's Statement
What are the conditions of the Offer?	<p>The Offer is subject to numerous conditions which are set out in Section 12.8 of the Bidder's Statement. A summary of these conditions includes:</p> <ul style="list-style-type: none"> <li>• no regulatory action by any Government Agency;</li> <li>• no persons exercising rights under certain agreements or instruments;</li> <li>• no change of control rights;</li> <li>• no "prescribed occurrences" occurring (as described in Section 12.8(g) of the Bidder's Statement) in relation to Explaurum;</li> <li>• information announced by Explaurum to ASX prior to 10 September 2018 and the end of the Offer Period being or being likely to be incomplete, incorrect, untrue or misleading in a material respect;</li> <li>• Explaurum conducts its business in the ordinary course between 10 September 2018 and the end of the Offer Period;</li> <li>• no material adverse change occurring in relation to the Explaurum's business, assets, liabilities, financial or trading position, or profitability or prospects;</li> <li>• no material acquisitions, disposals, cancellations or new commitments;</li> </ul>	Section 7.1 of the Target's Statement Section 12.8 of the Bidder's Statement

Question	Answer	Reference
	<ul style="list-style-type: none"> <li>the spot gold price as quoted by Bloomberg does not fall below A\$1350/oz at any time during a day for three consecutive days between announcement date and the end of the Offer period inclusive; and</li> <li>no other party acquiring a relevant interest in more than 20% of the Explaurum Shares.</li> </ul>	
When does the Offer close?	The Offer closes at 5.00pm (WST) on 25 <sup>th</sup> October 2018, unless the Offer Period is extended in accordance with the Corporations Act.	Section 12.2 of the Bidder's Statement
Can Ramelius withdraw the Offer?	Ramelius may withdraw the Offer if it obtains the written consent of ASIC, subject to the conditions (if any) specified in such consent.	Section 12.13 of the Bidder's Statement
What are the risks of accepting or rejecting the Offer?	Non-exhaustive lists of the key risks of accepting or rejecting the Offer are set out in Section 8 of this Target's Statement and Section 10 of the Bidder's Statement.	Section 8 of the Target's Statement  Section 10 of the Bidder's Statement

### How to respond to the Offer

What are the Directors recommending?	Your Directors unanimously recommend that <b>REJECT</b> the Offer by taking no action in relation to it	Section 2.2 of the Target's Statement
Why are the Directors recommending you reject the Offer?	<p>Your Directors recommend you <b>REJECT</b> the Offer for the following key reasons:</p> <ul style="list-style-type: none"> <li>The Offer Consideration is inadequate and does not reflect the underlying value of Explaurum's Tampia Gold Project and the potential exploration upside</li> <li>The timing of the Offer is highly opportunistic and made at a time when not all potentially material information is available to Explaurum Shareholders</li> <li>By accepting the Offer without all potentially material information, Explaurum Shareholders risk making a decision which is not fully informed and will not be able to accept a superior offer from another bidder if such an offer is made</li> <li>Ramelius' plan for the future development and operation of the Tampia Gold Project and the Mace Discovery is uncertain</li> <li>Explaurum has an existing clear strategy and plan to develop the Tampia Gold Project</li> <li>By accepting the Offer and becoming a Ramelius Shareholder, Explaurum Shareholders would reduce their exposure to the Tampia Gold Project - a higher grade, longer life asset with forecast lower operating costs than the Ramelius assets – and the Mace Discovery</li> </ul>	Section 1 of the Target's Statement

Question	Answer	Reference
What do the Directors intend to do with their Shares?	Each Director intends to <b>REJECT</b> the Offer in respect of the Explaurum Shares they own or control.	Section 2.2 of the Target's Statement
Is there an Independent Expert's Report?	<p>Explaurum's present intention is to obtain an Independent Expert's Report by BDO Corporate Finance (QLD) Ltd in relation to the Ramelius Offer as soon as possible after the Mace Update becomes available, if the Offer Period has not expired by the date the Independent Expert's Report becomes available, and to provide that report to Explaurum Shareholders in a supplementary target's statement.</p> <p>The Independent Expert's Report is expected to value Explaurum and its assets (including the Tampia Gold Project, the Mace Discovery and Explaurum's other exploration assets) and compare it with the Ramelius Offer and report as to whether the Ramelius Offer is fair and reasonable.</p>	Section 1.2 of the Target's Statement
Will Ramelius increase its Offer?	<p>Ramelius has not declared its Offer to be final. Accordingly, it remains open for Ramelius to increase its Offer if it chooses.</p> <p>However, Explaurum cannot say whether Ramelius will in fact increase its Offer as this is a matter for Ramelius to determine.</p>	N/A
What happens if Ramelius increases its Offer or another offer emerges?	If Ramelius increases its Offer or another offer emerges, your Directors will carefully consider the revised offer and advise Explaurum Shareholders accordingly.	N/A
What choices do I have as a Shareholder?	<p>As a Shareholder you have the following three choices available to you:</p> <ul style="list-style-type: none"> <li>• reject the Offer and do nothing;</li> <li>• sell your Explaurum Shares on market; or</li> <li>• accept the Offer.</li> </ul>	Section 3 of the Target's Statement
How do I reject the Offer?	To reject the Offer, you should do nothing and ignore all correspondence received from Ramelius.	Section 3.1 of the Target's Statement
Can I sell my Shares on-market?	Provided you have not already accepted the Offer, you may elect to sell some or all your Explaurum Shares on-market through ASX at the prevailing market price for cash.	Section 3.2 of the Target's Statement
How do I accept the Offer?	To accept the Offer, you should refer to the instructions set out in the Section 12.3 of the Bidder's Statement and the acceptance form provided to you by Ramelius.	Section 12.3 of the Bidder's Statement
What are the consequences of accepting the Offer now?	<p>If you accept the Offer, unless withdrawal rights are available (see below), you will relinquish control of your Explaurum Shares and give up your rights while the Offer remains open:</p> <ul style="list-style-type: none"> <li>• to sell your Explaurum Shares on ASX; or</li> <li>• to accept a higher offer (if one is made); or</li> <li>• to otherwise vote or deal with your Explaurum Shares.</li> </ul>	Section 12.5 of the Bidder's Statement

Question	Answer	Reference
If I accept the Offer, can I withdraw my acceptance if I change my mind?	You may only withdraw your acceptance of the Offer in very limited circumstances. For example, if Ramelius postpones the closing date of its Offer by more than 1 month and the Offer is still conditional at that time.	Section 12.5 of the Bidder's Statement
Do I pay brokerage or stamp duty if I accept?	<p>Accepting the Offer will incur no brokerage or stamp duty if your Explaurum Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Ramelius.</p> <p>If your Explaurum Shares are in a CHESS Holding, or if you are the beneficial owner whose Explaurum 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 the Offer.</p>	Section 3 of the Bidder's Statement
What are the tax consequences if I accept the Offer?	A general outline of the tax implications for certain Explaurum Shareholders of accepting the Offer is set out in Section 13 of the Bidder's Statement. However, tax implications will vary for each individual and we recommend that you seek professional advice regarding the tax implications from such a sale.	Section 13 of the Bidder's Statement
When will I receive the Offer Consideration if I accept the Offer?	<p>If you accept the Offer and each of the Offer Conditions are satisfied or waived, Ramelius will issue you the Offer Consideration for your Explaurum Shares on or before the earlier of:</p> <ul style="list-style-type: none"> <li>• 1 month after you accept the Offer or 1 month after all of the Offer Conditions have been satisfied or waived (whichever is the later); and</li> <li>• 21 days after the end of the Offer Period.</li> </ul> <p>If the Offer Conditions 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 Explaurum Shares and you will retain your Explaurum Shares.</p>	Sections 12.6 and 12.10 of the Bidder's Statement
When will Ramelius advise as to the status of the Offer Conditions?	<p>Ramelius has set 18<sup>th</sup> October 2018 as the date on which it will provide Explaurum and ASX with a notice regarding the status of the Offer Conditions in accordance with Section 630(3) of the Corporations Act. This date may be extended if the offer period is extended.</p> <p>If an Offer Condition is satisfied or waived before the notice date referred to above, Ramelius is required to inform you, Explaurum and ASX as soon as practicable after the Offer Condition is satisfied or waived.</p>	Section 12.12 of the Bidder's Statement
If I accept the Offer, what happens if the Offer Conditions are not satisfied or waived?	If the Offer Conditions are not satisfied or waived before the end of the Offer Period, the Offer will lapse. You will not receive the Offer Consideration for your Explaurum Shares and you will be free to deal with your Explaurum Shares without the restraint of the Offer.	Section 12.10 of the Bidder's Statement

Question	Answer	Reference
I am a Foreign Explaurum Shareholder, can I accept the Offer?	Yes, if you are a Foreign Explaurum Shareholder you are entitled to accept the Offer, 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 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.	Sections 11.10 and 12.7 of the Bidder's Statement
What can I do if I have further questions in relation to the Offer?	If you have any further questions in relation to the Offer, please contact the Shareholder Information Line on <b>1300 362 398</b> (within Australia) or <b>+61 2 8355 1004</b> (outside Australia) which is available Monday to Friday between 8:30am and 5:00pm (Sydney time).	N/A

## 5. Overview of Explaurum

### 5.1 Company overview

Explaurum Limited (“Explaurum”) is an Australian-based gold exploration company which listed on the ASX in 2005 (ASX:EXU). Explaurum’s operations are based in Narembeen, Western Australia, and are focused on the exploration and development of its key asset, the Tampia Gold Project (“**Tampia**”), which was acquired as a result of Explaurum’s merger with Auzex Exploration Limited (“**Auzex**”) in 2015.

Explaurum has a 90% interest in two mining leases and the adjacent exploration licence and has a 100% interest in a further eight exploration licences in the Tampia region.

In May 2018 Explaurum announced the completion of a feasibility study for the development of Tampia, which confirmed it as one of the highest margin undeveloped gold projects in Australia.

### 5.2 Company strategy – Tampia Gold Project

The Company’s business strategy is to continue the exploration, evaluation and development activity in relation to Tampia (including the Mace Discovery), as well as identify and assess new mineral project opportunities. Explaurum will continue to review development strategies for the relevant individual projects.

### 5.3 Current activities and near-term objectives

Explaurum currently is continuing to build on the highly robust economics of the Tampia Gold Project (as detailed in the May 2018 Feasibility Study) by:

- completing infill drilling at Tampia;
- completing work on the prospectivity of the Mace Discovery and conducting a scoping study in relation to the inclusion of shallow, high-grade mineralisation of the Mace Discovery in the Tampia Gold Project with the objective of increasing the overall mineral resource at Tampia and improving the project economics;
- working on optimisations to reduce operating costs and capital costs;
- continuing work on the financing and construction of the Tampia Gold Project; and
- the ongoing identification and assessment of new near-mine resources - such as the Mace and Anomaly 8 discoveries together with extensions of the Tampia resource both down plunge and along strike from current reserve - with the potential to deliver both additional high-grade ounces and extend the current mine plan.

Explaurum’s near-term objectives include:

Indicative date	Objectives
Friday 9 November 2018	<p><b>Mace Update</b> – this will comprise:</p> <ul style="list-style-type: none"><li>• <b>resource estimate</b> – an update targeting a JORC-compliant Indicated Mineral Resource estimate for the Mace Discovery; and</li><li>• <b>scoping study</b> – if there is an Indicated Mineral Resource estimate, a scoping study in relation to the inclusion of the Mace Discovery as part of the Tampia Gold Project.</li></ul>

Indicative date	Objectives
Friday 16 November 2018	<p><b>Independent Expert's Report by BDO Corporate Finance (QLD) Ltd</b> – Explaurum's present intention is to obtain this report in relation to the Ramelius Offer as soon as possible after the Mace Update, if the Offer Period has not expired by the date the Independent Expert's Report becomes available, and to provide that report to Explaurum Shareholders in a supplementary target's statement.</p> <p>The Independent Expert's Report is expected to value Explaurum and its assets (including the Tampia Gold Project, the Mace Discovery and Explaurum's other exploration assets) and compare it with the Ramelius Offer and report as to whether the Ramelius Offer is fair and reasonable.</p>
December 2018	<p><b>Bankable Feasibility Study</b> – this will be a comprehensive feasibility report in relation to the Tampia Gold Project (including the enhancements from the Mace Discovery, cost optimisations and early Anomaly 8 results) to enable Explaurum to attract the necessary finance for the construction and commissioning of the Tampia mine and associated infrastructure. The BFS will be subject to finalising all necessary permits (for example for water use rights).</p>

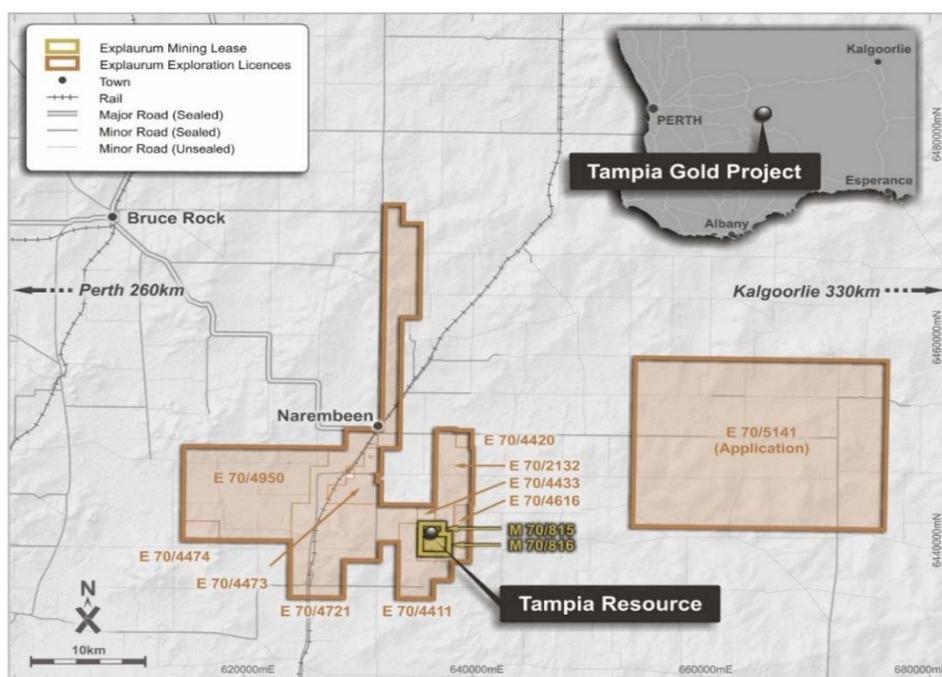
#### 5.4 Overview - Tampia Gold Project

Tampia is a shallow, high grade open-pit development which is expected to start production in early 2020 at comparably low AISC of \$998/oz over the LOM. It comprises two granted mining leases and nine exploration licences. Tampia is located approximately 240km east of Perth in the wheatbelt of Western Australia and 12km southeast of the township of Narembeen, covering an aggregate area of 327 km<sup>2</sup>. It is strategically located and is well positioned to road access, infrastructure, service availability and a regional airstrip.

Explaurum has carried out extensive exploration and results to date have substantially increased the project's resources and reserves which now stand at:

- Mineral Resource of 675,000oz gold from 11.7 Mt grading 1.79 g/t Au
- Initial Ore Reserve of 485,000 oz gold from 7.2 Mt grading 2.09 g/t Au

## Location of Tampia



The Tampia Feasibility Study results confirm Tampia as technically sound and financially robust, with operating costs in the lowest quartile of gold projects globally<sup>8</sup>.

Key forecast project metrics include:

- Initial mine plan of 534 koz gold from 8.0 Mt at 2.07 g/t Au;
- Initial project life of 5.3 years at 1.5 Mtpa throughput with 104koz pa produced for first two years;
- Staged single open pit with conventional gravity and CIL processing with strip ratio of 7.6:1 and average 92% recovery;
- Low estimated AISC of A\$896/oz for the first two years of operations, and A\$998/oz over LOM;
- Pre-production capital cost of A\$119M (including A\$10.8M contingency);
- Pre-tax: NPV<sub>8%</sub> of A\$125M, IRR of 47% and payback of 18 months (at A\$1,650 oz gold);

Since the release of the Feasibility Study, work has been ongoing that will potentially enhance the value of the Project including:

- the Tampia infill drilling results – see Section 5.6;
- the assessment of the Mace Discovery – this has the potential to improve the economics of the Tampia Project through the potential value of the additional ounces rather than the potential number of additional ounces - the grade, mineralogy, depth and nature of the host material all indicate that the Mace Discovery has high potential to provide early, low cost ounces that will lead to significant economic improvements (in particular to the first year's production, operating costs and payback) from the announced Feasibility Study.

An update in relation to the Mace Discovery – targeting a JORC-compliant Indicated Mineral Resource estimate and a scoping study in relation to the inclusion of the Mace Discovery as part of the Tampia Gold Project - is expected on or about 9 November 2018 – see further Section 5.7;

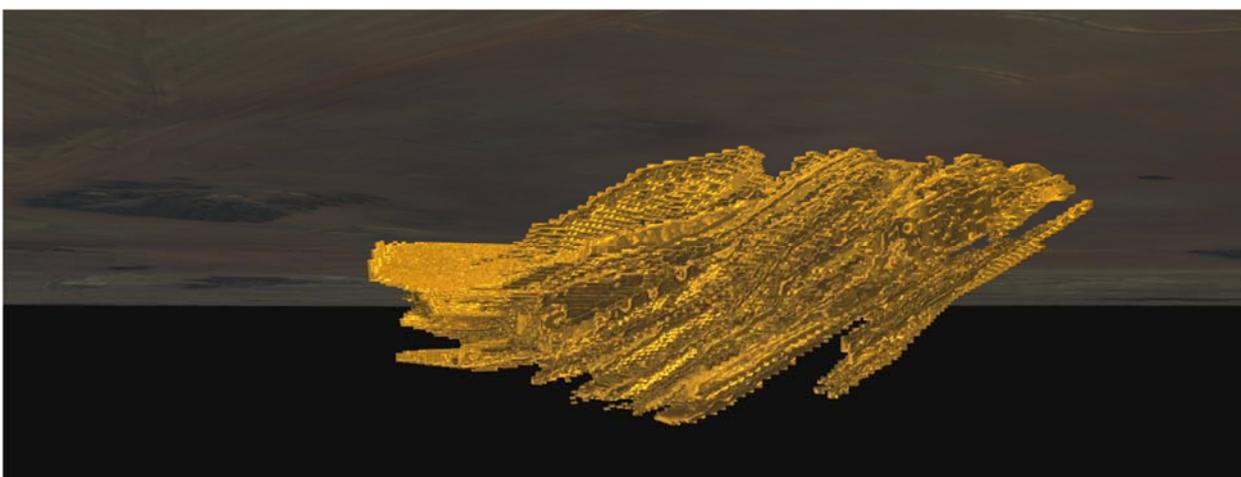
- optimisations designed to reduce operating costs and capital costs; and

- the prospectivity of the Anomaly 8 exploration target. Although Explaurum's understanding of the geology and structure of the Anomaly 8 area is at an early stage, results to date indicate that Explaurum is within a large mineralised system with similar characteristics to the Tampia resource and with potential significant upside. Recent results also confirm the suitability of Explaurum's exploration model for assessing the potential for a new gold field within our tenements.

**Tampia - Long section looking north west** (length of section mineralisation approximately 900m)



**Tampia – Cross section looking south**



### Key Tampia intersections

Assay results<sup>9</sup> from a RC drilling program conducted in 2015 on the Tampia Gold Project included the following intersections:

- 16m at 4.58g/t Au, including 8m at 7.24g/t Au;
- 5m at 19.09g/t Au, including 3m at 30.79g/t Au;
- 11m at 2.89g/t Au, including 6m at 4.48g/t Au;
- 4m at 11.69g/t Au from 1m;
- 4m at 5.78g/t Au from 9m;
- 12m at 3.22g/t Au from 23m;
- 7m at 2.39g/t Au from 7m;
- 10m at 2.26g/t Au from 10m;
- 13m at 2.06g/t Au from 7m;
- 8m at 9.47g/t Au from 14m;
- 8m at 10.02g/t Au from 12m;
- 15m at 6.13g/t Au from 14m;
- 20m at 2.15g/t Au from 21m;
- 7m at 30.08g/t Au from 40m;
- 14m at 5.17g/t Au from 42m;
- 3m at 8.23g/t Au from 91m;
- 2m at 26.72g/t Au from 2m;
- 14m at 8.75g/t Au from 51m;
- 5m at 21.45g/t Au from 12m, including 1m at 101.0g/t Au from 16m;
- 8m at 6.10g/t Au from 18m;
- 5m at 6.44g/t Au from 32m;
- 10m at 9.36g/t Au from 66m, including 2m at 39.07g/t Au from 74m;
- 6m at 9.48g/t Au from 58m;
- 11m at 2.15g/t Au from 76m.

<sup>9</sup> EXU ASX releases 26 Nov, 3 Dec, 7 Dec and 21 Dec, 2015.

## 5.5 Low AISC

Mining and process plans have been structured to maximise gold recoveries during the first two years of operations, by treating high gold recovery weathered (oxidised) ore, and higher recovery fresh ore. In addition, the Mace Discovery may potentially impact the gold recovered in the first two years and further reduce operating costs due to the nature of mineralisation.

The optimised operating costs for the Project highlight a conventional, low cost and high margin operation with LOM AISC of A\$998/oz gold, and AISC of A\$896/oz for the first two years. This is a result of the shallow nature of the deposit (most of the resource is less than 100m below surface), high overall head grade (2.09 g/t), low reagent consumption and a high component of gravity recoverable gold.

## 5.6 Tampia infill drilling

Infill drilling of the Tampia deposit has strongly validated the high grade profile of the current Tampia resource model. Better intersections from the most recent infill drilling program completed (70 holes on a 10m x 10m spacing for 4,076m) included:

- 6m at 17.18 g/t Au from 25m;
- 21m at 4.50 g/t Au from 46m;
- 10m at 12.69 g/t Au from 47m;
- 5m at 9.54 g/t Au from 40m;
- 10m at 4.56 g/t Au from 46m;
- 8m at 17.27 g/t Au from 11m;
- 7m at 6.43 g/t Au from 16m; and
- 1m at 58.20 g/t Au from 63m.

Grade reconciliation between the infill drill results and the Tampia Resource model has been positive. Of the 70 holes drilled to date, 38 returned intercept grades better than estimated by the Tampia resource model, 14 were in-line and only 18 were lower than estimated.

The infill drilling also intersected additional, smaller zones of gold mineralisation that are not contained within the existing Tampia Resource. These areas are treated as barren within the existing Tampia Resource model and, if repeated in other areas of planned infill drilling, could significantly increase the contained gold endowment available for mining.

## 5.7 Further exploration - resource optimisation and upside potential

### 5.7.1 Overview

The current objectives of Explaurum's exploration program are:

- to expand overall resources at Tampia targeting potential additions to initial mine life – for example by continuing exploration of several walk-up regional drill targets (including the Mace Discovery and Anomaly 8);
- to quantify the potential resource upside from the Mace Discovery area; and
- to increase the mineral resource available for early stage processing (eg from potential shallow gold mineralisation in the Mace Discovery area).

### 5.7.2 Mace Discovery - a shallow supergene gold mineralisation zone

The Mace Discovery area is a supergene zone characterised by high-grade resources, shallowness, scalability and location adjacency.

On 12 April 2018, Explaurum announced that it intersected a shallow supergene gold mineralisation between the Tampia resource area and the Mace Discovery area to the west and that the Mace Discovery was expected to provide additional gold resources to the Tampia Gold Project with early production potential.

On 3 July 2018, Explaurum announced that the prospectivity of Mace had exceeded initial expectations and that it was immediately stepping up its exploration program over the next six months.

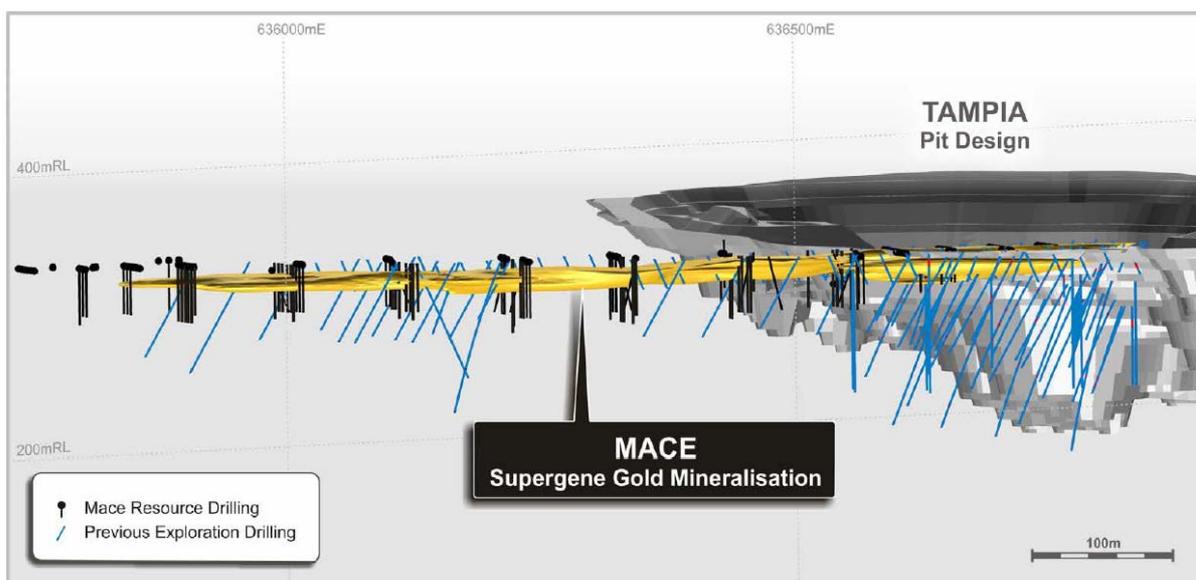
The high-grade nature, shallowness and adjacent location to Tampia has the potential to create significant opportunities to incorporate the Mace Discovery to the proposed mine plan and bring significant economic improvements to the announced Feasibility Study and in particular to the first year's production, operating costs and payback.

The key features of the Mace Discovery are as follows:

- Based on current drilling results, the Mace Discovery extends 1.1 kms from the south eastern margin of the proposed Tampia open pit. It is 40-80m wide, with an average thickness of 5m from approximately 8m below the surface
- Open to the west and associated with gold soil anomaly that extends approximately 13km to the west
- The distribution and continuity of mineralisation between drill lines are extremely positive, and mineralisation is high-grade with an average uncut grade from all intercepts of +5g/t Au
- Given the mineralisation is at a shallow depth and hosted by unconsolidated sediments, any mined ounces at Mace would be expected to have high metallurgical recoveries and low operating costs
- Strike extension and infill resource drilling has been done to better define the mineralisation and to allow a maiden JORC-compliant Indicated Mineral Resource to be estimated for Mace
- Diamond holes have been planned to better define the geology and controls on gold mineralisation
- There were 82 RC holes completed for a total of 2,614m in September (announced on 7 September 2018). Better intersections included:
  - 6m at 7.02 g/t Au from 5m.
  - 6m at 5.88 g/t Au from 3m;
  - 7m at 3.80 g/t Au from 9m; and
  - 6m at 2.49 g/t Au from 11m.
- Updated results confirmed that the Mace Discovery has good continuity between 80m spaced drill lines

Mace is a growth opportunity for Explaurum with significant reserve growth potential in shallow, high-grade, near mine ounces. Explaurum had, prior to the Offer, fast-tracked the assessment of Mace with the aim of defining a maiden resource and incorporating the results into the Tampia BFS and mine planning.

## Mace long section



Explaurum is currently finalising the first round of studies on the Mace Discovery and expects to release the Mace Update to Explaurum Shareholders around 9 November 2018.

### 5.7.3 Regional Exploration

Although Explaurum's understanding of the geology and structure of the Anomaly 8 area is at an early stage, results to date indicate that Explaurum is within a large mineralised system with similar characteristics to the Tampia resource and with potential significant upside. Recent results also confirm the suitability of Explaurum's exploration model for assessing the potential for a new gold field within our tenements.

The Tampia Gold Project has progressed significantly over the last three years. Although the outcropping Tampia mineralisation was discovered in 1987, there was very poor understanding by previous explorers of the regional geological context in which it occurs.

In early 2016, Explaurum undertook a regional airborne gravity program covering 400km<sup>2</sup> covering the project tenements. Gravity had not been used previously in the region for gold exploration. The data was modelled on the gravity signature of the Tampia resource which had been developed from ground gravity and down hole rock density measurements.

As a result, 24 targets having a similar gravity signature to the Tampia deposit were recognised within the Company's tenements, three of which were much larger in size. The survey data was subsequently used to interpret the geology and structure over the Tampia Gold Project area. As a result two new greenstone belts and the potential for a new gold field were recognised.

Initial exploration of 11 of the gravity targets has been completed to date, comprising grid soil auger geochemistry. 10 of the 11 gravity targets have complementary gold soil anomalies, which confirms the relationship between gravity and gold mineralisation observed at Tampia.

Exploration drilling at Anomaly 8, located 7km north of the Tampia deposit has commenced, with clear evidence there is a mineralised system in that area. Best drilling results to date include 2m at 10.44g/t Au from 48m, 6m at 1.66 g/t Au from 23m, 7m at 1.20g/t Au from 61m and 3m at 3.63g/t Au from 16m. These results are from widely spread drill holes over a 2.5km<sup>2</sup> area.

## 5.8 Bankable Feasibility Study

Tampia's BFS is expected to be completed in Q4 of 2018 (subject to completion of permitting and securing water use rights) and is expected to cover the feasibility of the mine plan for development of Tampia including the shallow, high grade mineralisation at Mace.

Current programs and workstreams for the Bankable Feasibility Study include:

- Completion of tender for the construction of mine infrastructure;
- Completion of assessment of dry hire mining equipment provider;
- Completion of optimisation of mine design

## 5.9 Financing, construction and production

In parallel with an accelerated exploration program regionally at Tampia to identify further resources, the current indicative development timeline is as follows.

Indicative timing	Milestone
9 November 2018	Mace Update
December 2018	Tampia Bankable Feasibility Study completed, subject to final permitting and regulatory approvals
December 2018	Additional Tampia infill resource drilling program
Q1 2019	Final investment decision
Q2 2019	Commencement of construction
Q2 2020	Commissioning and ramp-up of Tampia
2019 and onwards	Expand resource base from exploration on nearby and regional targets throughout mine development
H2 2020	First gold production

An advisor has been appointed to assist with the project financing of Tampia with the process underway since August 2018.

## 5.10 Community Engagement

Explaurum has occupied the Tampia site for six years and during that time has had extensive engagement with the local community. They have successfully developed a strong relationship with the Narembeen community and landowners who support the mine development due to its economic and social contribution to the town.

## 5.11 Explaurum's Mineral Resource and Ore Reserve statements<sup>10</sup>

The Tampia maiden Ore Reserve estimate and feasibility study were released during the second quarter of 2018. For full details please refer to Explaurum ASX release, Tampia Feasibility Study, 30 May 2018.

The Tampia maiden Ore Reserve estimate is 7.23 Mt at 2.09 g/t Au for 485,000 ounces of gold (all categorised as Probable).

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<sup>10</sup> Source: Explaurum Quarterly Activities Report – dated 31 July 2018

## Tampia Ore Reserve Statement at 28 April 2018

Reserve	Tonnes (t)	Au Grade (g/t)	Au (oz)
Probable	7,230,000	2.09	485,000

The Tampia Mineral Resource estimate was also updated as part of the feasibility study and reported in accordance with the JORC Code (2012) (Mineral Resource estimate is inclusive of Mineral Reserves).

## Tampia Mineral Resource Classification

Resources	Tonnes (t)	Au Grade (g/t)	Au Metal (oz)
Inferred	2,000,000	1.6	90,000
Indicated	9,800,000	1.83	580,000
<b>Total</b>	<b>11,700,000</b>	<b>1.79</b>	<b>675,000</b>

## 5.12 Financial information

Explaurum has no debt and has a cash position at 30 June 2018 of AU\$3.4m.

### 5.12.1 Explaurum's Consolidated Statement of Comprehensive Income

A\$	30-Jun-18	30-Jun-17
<b>CONTINUING OPERATIONS REVENUES</b>		
Interest income	58,320	66,680
Gain on disposal of available-for-sale assets	-	81,863
<b>Total Revenue</b>	<b>58,320</b>	<b>148,542</b>
<b>EXPENSES</b>		
Other corporate overheads	(863,801)	(691,962)
Employee benefits expense	(420,099)	(365,047)
Share based payment expense	(678,055)	(263,945)
Foreign exchange gain / (loss)	(633)	(114)
Depreciation and amortisation	(26,913)	(12,977)
<b>Loss before income tax</b>	<b>(1,931,181)</b>	<b>(1,185,503)</b>
Income tax benefit / (expense)	-	-
<b>Net loss for the year</b>	<b>(1,931,181)</b>	<b>(1,185,503)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
Gain on disposal of available-for-sale assets	-	(133,200)
Other Comprehensive loss for the year, net of tax	-	(133,200)
<b>Total Comprehensive Loss for the year</b>	<b>(1,931,181)</b>	<b>(1,318,703)</b>
<b>Loss attributable to:</b>		
Owners of the Parent	<b>(1,931,181)</b>	<b>(1,185,503)</b>
Non-controlling interests	-	-

<b>Total comprehensive gain / (loss) attributable to:</b>		
Owners of the Parent	<b>(1,931,181)</b>	<b>(1,318,703)</b>
Non-controlling interests	-	-
<b>Basic and Diluted loss per share (cents per share)</b>		
	<b>(0.46)</b>	<b>(0.38)</b>

## 5.12.2 Explaurum's Consolidated Balance Sheet

A\$	30-Jun-18	30-Jun-17
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,389,571	2,354,777
Trade and other receivables	403,947	309,602
<b>Total current assets</b>	<b>3,793,518</b>	<b>2,664,379</b>
<b>Non-current assets</b>		
Plant and equipment	142,421	73,309
Deferred exploration & evaluation costs	20,425,852	10,538,781
<b>Total non-current assets</b>	<b>20,568,273</b>	<b>10,612,090</b>
<b>Total Assets</b>	<b>24,361,791</b>	<b>13,276,469</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	1,508,381	1,307,769
Provision for employee benefits	100,710	62,624
<b>Total current liabilities</b>	<b>1,609,091</b>	<b>1,370,393</b>
<b>Total Liabilities</b>	<b>1,609,091</b>	<b>1,370,393</b>
<b>Net assets</b>	<b>22,752,700</b>	<b>11,906,076</b>
<b>EQUITY</b>		
Issued capital	40,141,918	28,042,168
Reserves	4,288,923	3,610,868
Accumulated losses	(21,678,141)	(19,746,960)
<b>Total Equity</b>	<b>22,752,700</b>	<b>11,906,076</b>

### 5.12.3 Explaurum's Consolidated Statement of Cash Flows

A\$	30-Jun-18	30-Jun-17
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(1,351,983)	(1,117,095)
R&D refund received	101,518	-
GST received	1,070,791	451,232
Interest received	45,468	63,489
<b>Net cash flows used in operating activities</b>	<b>(134,206)</b>	<b>(602,374)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for plant and equipment	(96,025)	(79,134)
Proceeds from disposal of available for sale assets	-	548,062
Payments for exploration expenditure	(10,834,725)	(5,792,434)
<b>Net cash flows used in investing activities</b>	<b>(10,930,750)</b>	<b>(5,323,506)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares and options	12,905,000	8,071,671
Issue costs - shares and options	(805,250)	(427,344)
<b>Net cash flows from financing activities</b>	<b>12,099,750</b>	<b>7,644,327</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,034,794</b>	<b>1,718,447</b>
Cash and cash equivalents at beginning of year	2,354,777	636,330
Effects of exchange rate fluctuations on cash held	-	-
<b>Cash and cash equivalents at end of year</b>	<b>3,389,571</b>	<b>2,354,777</b>

## 6. Overview of Ramelius

Further detail on Ramelius can be found in Section 4 of the Bidder's Statement.

### 6.1 Company overview

Ramelius Resources listed on the ASX in March 2003 and focuses on gold exploration and mining in Western Australia. Ramelius' operating mines include the Mt Magnet, Edna May and Vivien gold mines, which produced a total of 208koz gold in FY2018 at an AISC of A\$1,191/oz of gold<sup>11</sup>. Ramelius expect their FY2019 AISC to increase to approximately A\$1,200/oz.

At 13th September 2018, Ramelius announced that they had signed a binding Exclusivity and Implementation Deed to purchase the Marda Gold Project ("Marda") in Western Australia for \$13.0m from Black Oak Minerals Limited ("Black Oak Minerals"), which is currently in liquidation. The consideration payable will be funded from Ramelius' current cash reserves and include a \$0.5m non-refundable deposit to the liquidators of Black Oak Minerals. Ramelius expect that Marda will improve Edna May's future mine planning.

### 6.2 Overview of principal activities

#### 6.2.1 Mt Magnet Project

Ramelius acquired the Mt Magnet Project ("Mt Magnet") in 2010 from Harmony Gold Mining Company Limited ("Harmony Gold"). In FY2018, 1.2 million tonnes of ore was mined (excluding stockpiles) and processed at an average grade of 1.59 g/t Au to produce 83.2koz gold. Ramelius has expended c. \$9.7m in FY2018 on resource definition and exploration drilling within Mt Magnet and surrounding areas which has resulted in the discovery of Eridanus (6km south-west of the Mt Magnet processing plant).

#### 6.2.2 Vivien Underground Project

Ramelius own 100% of the Vivien Underground Project ("Vivien"). In FY18, 259,679 tonnes of ore were processed at an average grade of 6.64 g/t Au at the Mt Magnet facility to produce 52.4 koz gold. The Vivien underground mine is expected to have an average AISC per quarter of A\$1,100/oz.<sup>12</sup>

Ramelius have carried out diamond drilling to better ascertain whether extensions are feasible for the project, however have been faced with access difficulties. Ramelius are now considering a new underground drill drive.

#### 6.2.3 Edna May Project

Ramelius acquired 100% of the Edna May Project ("Edna May") from Evolution Mining in October 2017. Edna May has produced 72.5koz at an AISC of A\$1,203/oz<sup>13</sup> within the 9 month period of Ramelius' ownership. Ore is mined in bulk with a typical head grade of 0.9 – 1.2g/t Au and a total recovery rate of 93%.

On 18 September 2018, Ramelius announced that it had chosen to develop stage three of Edna May through underground mining, as opposed to the open pit option. The underground option for Edna May takes a more targeted, lower-cost approach and focuses on higher-grade reefs, however it yields a lower production output rate at 398Kt at an average grade of 4.8g/t Au for 61koz compared to the open pit option. This requires less capital costs than the open pit option and is not expected to require surface clearing.

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<sup>11</sup> Source: Ramelius' Diggers and Dealers Kalgoorie presentation August 2018

<sup>12</sup> Ramelius Bidder's Statement – Section 4.3

<sup>13</sup> Source: Ramelius' Diggers and Dealers Kalgoorie presentation in August 2018

The open pit option would have mined the entire Edna May orebody of 26.1Mt at an average grade of 0.9g/t Au for 794koz and provided a 3-year life extension but at a significantly higher capital cost. Ramelius has stated that this decision would allow for additional ore scheduling flexibility for the recently acquired Marda Gold Project.

#### 6.2.4 Other projects

Other projects with mineral resources that are owned by Ramelius are the Western Queen Project, Coogee Project and Kathleen Valley Project.

- Ramelius acquired 100% of the Coogee Project (“Coogee”) in 2012 and was mined by Ramelius in 2013-2014.
- Ramelius acquired 100% of Western Queen Project (“Western Queen”) in 2010 and was mined by Ramelius in 2013-14.
- Ramelius acquired 100% of Kathleen Valley Gold Project (“Kathleen Valley”) in 2014 and was mined by Ramelius in 2015-16 with gold production of 66koz.

### 6.3 Ramelius’ Mineral Resources and Ore Reserves

Ramelius has 3.5m oz resources of which 1.1moz (32%) are categorised as Inferred. 698koz i.e. 20% of this has been converted to ore reserves.

#### 6.3.1 Mineral Resources<sup>14</sup>

Project	Measured			Indicated			Inferred			Total		
	Mt	g/t	koz	Mt	g/t	koz	Mt	g/t	koz	Mt	g/t	koz
Mt Magnet	1.4	2.4	106	20.3	2.0	1,312	14.0	1.8	832	35.7	2.0	2,250
Edna May	2.8	0.6	53	23.6	1.0	751	6.8	0.9	196	33.2	0.9	1,001
Vivien	0.5	6.4	97	0.1	6.0	16	0.1	3.7	14	0.7	5.9	127
Kathleen Valley <sup>15</sup>				0.2	3.4	24	0.5	2.5	42	0.7	2.8	66
Coogee				0.0	3.6	4	0.1	3.3	7	0.1	3.4	11
Western Queen				0.1	3.6	12	0.1	3.4	9	0.2	3.5	21
<b>Total</b>	<b>4.6</b>	<b>1.7</b>	<b>256</b>	<b>44.3</b>	<b>1.5</b>	<b>2,119</b>	<b>21.6</b>	<b>1.6</b>	<b>1,100</b>	<b>70.5</b>	<b>1.5</b>	<b>3,476</b>

#### 6.3.2 Ore Reserves<sup>16</sup>

Project	Proven			Probable			Total		
	Mt	g/t	koz	Mt	g/t	koz	Mt	g/t	koz
Mt Magnet	0.4	0.9	11	7.1	1.8	410	7.5	1.8	421
Edna May	3.4	0.7	75	2.1	1.8	125	5.5	1.1	200
Vivien Underground	0.3	6.7	71	0.0	4.8	6	0.4	6.5	77
<b>Total</b>	<b>4.1</b>	<b>1.2</b>	<b>157</b>	<b>9.2</b>	<b>1.8</b>	<b>541</b>	<b>13.3</b>	<b>1.6</b>	<b>698</b>

<sup>14</sup> Ramelius ASX release – Resources and Reserves Statement 2018 Sep 18

<sup>15</sup> g/t ratios have been calculated based on Ramelius’ Resources and Reserves Statement (2018 September 18)

<sup>16</sup> Ramelius ASX release – Resources and Reserves Statement 2018 Sep 18

## 7. The Offer

### 7.1 Key summary of the Offer

A summary of the Offer is set out below. Further information can be found in the Bidder's Statement.

<b>The Offer</b>	Ramelius is offering to buy all of your Explaurum Shares. You may accept this Offer in respect of some or all of your Explaurum Shares.
<b>Offer Consideration</b>	<p>If you accept the Offer, you will receive 1 Ramelius Share for every 4 of your Explaurum Shares. You will only receive the Offer Consideration if all of the Offer Conditions are satisfied or waived.</p> <p>If the calculation of the number of shares you are due to receive results in a fraction, it will be rounded up to the next whole number.</p>
<b>Offer Period</b>	The Offer closes at 5.00pm (WST) on 25 October 2018, unless the Offer Period is extended in accordance with the Corporations Act.
<b>Conditions</b>	<p>The Offer is subject to a number of conditions which are set out in full in Section 12.8 of the Bidder's Statement. A summary of the Offer Conditions includes:</p> <ul style="list-style-type: none"><li>• no regulatory action by any Government Agency;</li><li>• no persons exercising rights under certain agreements or instruments;</li><li>• no change of control rights;</li><li>• no "prescribed occurrences" occurring (as described in Section 12.8(g) of the Bidder's Statement) in relation to Explaurum;</li><li>• information announced by Explaurum to ASX prior to 10 September 2018 and the end of the Offer Period being or being likely to be incomplete, incorrect, untrue or misleading in a material respect;</li><li>• Explaurum conducts its business in the ordinary course between 10 September 2018 and the end of the Offer Period;</li><li>• no material adverse change occurring in relation to the Explaurum's business, assets, liabilities, financial or trading position, or profitability or prospects;</li><li>• no material acquisitions, disposals, cancellations or new commitments;</li><li>• the spot gold price as quoted by Bloomberg does not fall below A\$1350/oz at any time during a day for three consecutive days between announcement date and the end of the Offer period inclusive; and</li><li>• no other party acquiring a Relevant Interest in more than 20% of the Explaurum Shares. If these conditions are not satisfied or waived during the Offer Period, the Offer will lapse and you will not receive the Offer Consideration for your accepted shares. You will also retain your Explaurum Shares.</li></ul> <p>This is only a summary of the Offer Conditions. The Offer Conditions are set out in full in Section 12.8 of the Bidder's Statement.</p>

### 7.2 Ramelius' intentions for Explaurum

Further information on Ramelius' intentions for Explaurum are set out in Section 8 of the Bidder's Statement.

### 7.2.1 Strategic Review to integrate Edna May with Tampia

If successful in acquiring a controlling stake in Explaurum, Ramelius intend to leverage Tampia to create synergies with Edna May by first undertaking a strategic review to determine whether Tampia and Edna May can be integrated. Ramelius believes that the acquisition of Tampia will result in reduced capital costs and earlier development.

However, the exact intentions of Ramelius are unclear given the absence of an integration plan and the requirement to conduct a strategic review in relation to the integration of Tampia and Edna May.

### 7.2.2 Ramelius' intentions if 90% or more of Explaurum's Shares are acquired

#### A. Compulsory acquisition of Explaurum

If Ramelius acquires more than 90% of the shares in the bid class and has acquired at least 75% (by number) of the Explaurum Shares that it offered to acquire under the Offer (whether the acquisitions happened under the Offer or otherwise) it may compulsorily acquire all remaining Explaurum Shares under Part 6A.1 of the Corporations Act.

Ramelius has indicated in its Bidder's Statement that it intends to compulsorily acquire all Explaurum Shares that it does not already hold if it becomes entitled to proceed to compulsory acquisition of Explaurum Shares under Part 6A.1 of the Corporations Act.

If it is entitled to proceed to compulsory acquisition of Explaurum Shares under Part 6A.1 of the Corporations Act, Ramelius will have up to 1 month after the end of the Offer within which to give compulsory acquisition notices to Explaurum Shareholders who have not accepted the Offer. Explaurum Shareholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant Explaurum Shareholder to establish to the satisfaction of a court that the terms of the Offer do not represent fair value for the Explaurum Shares.

Explaurum Shareholders should be aware that if they do not accept the Offer and their Explaurum Shares are compulsorily acquired, they may incur a delay in receiving the consideration for their Explaurum Shares compared with Explaurum Shareholders who have accepted the Offer.

#### B. Explaurum Board

Ramelius intend to replace the Explaurum Board with its own nominees. The nominee directors are expected to be selected from the current directors and management of Ramelius.

#### C. Explaurum's current employees

Ramelius intend to retain Explaurum staff who will be responsible for the day-to-day management and operations of Tampia in the short term. Administrative employees in the Queensland Office will likely be made redundant. Ramelius may redeploy some Explaurum employees into other parts of their business following its Strategic Review.

### 7.2.3 Ramelius' intentions if it becomes a part-owned controlled entity

Ramelius would hold a controlling interest if they acquired 50% - 90% of Explaurum's shares. The implications of this are outlined in the below:

Ramelius holds more than 50% but less than 75%	Ramelius holds more than 75% but less than 90%
<ul style="list-style-type: none"><li>Ramelius can determine strategic decisions for Explaurum made via ordinary resolutions</li><li>Ramelius can control the composition of the Explaurum Board</li></ul>	<ul style="list-style-type: none"><li>Ramelius can determine the outcome of special resolutions</li><li>Ramelius can control the composition of the Explaurum Board</li><li>Ramelius can potentially remove Explaurum from the official list of ASX</li></ul>

#### **A. Strategic Review to integrate Edna May with Tampia**

Ramelius would still intend to undertake the Strategic Review.

#### **B. Delisting of Explaurum**

Ramelius intends to investigate the delisting of Explaurum. Absent of shareholder approval for the removal of Explaurum from the ASX, Ramelius can still effect the delisting if the conditions stipulated by ASX's Guidance Note 33 are met:

- a. Ramelius and its related bodies corporate own or control at least 75% of Ramelius' securities, but have not met the conditions for compulsory acquisition under the Corporations Act;
- b. excluding Ramelius and its related bodies corporate, the number of security holders having holdings with a value of at least \$500, is more than 150;
- c. the Offer period must have been open for at least two weeks following Ramelius and its related bodies corporate having attained ownership or control of at least 75% of the securities; and
- d. Explaurum must have applied for removal from the ASX no later than one month after the end of the Offer period.

If above conditions are not met, ASX will require shareholder approval to delist Explaurum. Approval will be done by way of ordinary resolution on which Ramelius and its Associates are excluded from voting.

If more than 12 months have lapsed since the close of the takeover bid, ASX has indicated in Guidance Note 33 that it will generally permit Ramelius and its Associates to vote on a resolution approving its removal from the official list.

If the conditions set by the ASX in their Guidance Note 33 are satisfied and shareholder approval for the delisting of the entity is not required, the ASX would generally require Ramelius to send written or electronic communication to all Explaurum Shareholders advising them:

- of the Nominated time and date at which Explaurum will be delisted;
- that if Explaurum Shareholders wish to sell their shares on ASX they will need to do so before then;
- If they don't sell their shares before the delisting, they will only be able to sell their shares off-market; and
- that the delisting of Explaurum will not take place any earlier than 3 months after the communication is sent.

#### **C. Explaurum Board**

Subject to the Corporations Act and the Explaurum constitution, Ramelius intend to appoint a majority of Ramelius nominees to the Explaurum Board.

#### **7.2.4 Ramelius' intentions if it acquires less than a 50% relevant interest in Explaurum Shares**

If Ramelius holds less than a 50% interest in Explaurum, they may influence but not control the outcomes of ordinary resolutions.

#### **A. Strategic Review to integrate Edna May with Tampia**

Ramelius would seek to promote and possibly gain Explaurum Board (if necessary) and Explaurum Shareholder approval for the potential integration of Edna May with Tampia.

#### **B. Explaurum Board**

Subject to the Corporations Act and the Explaurum constitution, Ramelius intends to seek representation on the Explaurum Board.

#### **C. Active minority Explaurum Shareholder**

Ramelius indicated that it intends to actively influence strategic decisions of Explaurum's business to the greatest extent permissible by law.

### **7.3 Withdrawal of the Offer by Ramelius**

Ramelius may withdraw the Offer with the written consent of ASIC, which may be subject to conditions. If, at the time the Offer is withdrawn, the Offer Conditions have been satisfied or waived, all contracts arising from acceptance of the Offer by Explaurum Shareholders before it was withdrawn will remain enforceable.

### **7.4 Lapse of the Offer**

The Offer will lapse if, at the end of the Offer Period, the Offer Conditions have not been satisfied or waived. If this occurs, then any contracts resulting from acceptance of the Offer by Explaurum Shareholders will be void. If the Offer lapses, Explaurum Shareholders who have accepted the Offer will continue to own their Explaurum Shares the subject of any such acceptances and will be free to deal with them as they choose.

### **7.5 Notice of status of Offer Conditions**

The Bidder's Statement indicates that Ramelius will provide Explaurum and ASX with a notice regarding the status of the Offer Conditions in accordance with Section 630(3) of the Corporations Act by 5.00pm (WST) on 18 October 2018 ("Notice Date").

If the Offer Period is extended before the time by which that notice is to be given, the Notice Date will be taken to be postponed for the same period. In the event of such an extension, Ramelius is required, as soon as reasonably practicable after the extension, to notify ASX and Explaurum of the new Notice Date.

In addition, if an Offer Condition is satisfied or waived during the Offer Period but before the Notice Date, Ramelius must, as soon as practicable, give notice to ASX and Explaurum that the particular Offer Condition has been satisfied or waived.

### **7.6 Extension of the Offer Period**

Ramelius may extend the Offer Period at any time before Notice Date while the Offer is subject to the Offer Conditions. If the Offer is unconditional, Ramelius may extend the Offer Period at any time before the end of the Offer Period in accordance with the Corporations Act.

In addition, there will be an automatic extension of the Offer Period if, within the last 7 days of the Offer Period:

- Ramelius varies the Offer to improve the Offer Consideration; or
- Ramelius' voting power in Explaurum increases to more than 50%.

If either of these two events occur within the last 7 days of the Offer Period, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.

### **7.7 Effect of acceptance**

The effect of acceptance of the Offer is set out in Section 12.5 of the Bidder's Statement. Explaurum Shareholders should read these provisions in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to their Explaurum shares and the representations and warranties which they give by accepting the Offer.

### **7.8 Rights to withdraw acceptance**

You may be entitled to withdraw your acceptance of the Offer if Ramelius varies the Offer in a way that postpones, for more than one month, the time by which Ramelius has to meet its obligations under the Offer. This will occur if Ramelius extends the Offer Period by more than one month and the Offer is still subject to any Offer Conditions. 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.

## **7.9 Improvement to Consideration**

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

## **7.10 When you will be paid if you accept Ramelius' Offer**

If you accept the Offer and each of the Offer Conditions are satisfied or waived, Ramelius will issue you the Offer Consideration for your Explaurum Shares on or before the earlier of:

- 1 month after you accept the Offer or 1 month after all of the Offer Conditions have been satisfied or waived (whichever is the later); and
- 21 days after the end of the Offer Period.

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.

## **7.11 Foreign Explaurum Shareholders**

Foreign Explaurum Shareholders will not be entitled to receive Ramelius Shares as consideration for their Explaurum Shares in accordance with the Offer. The Ramelius Shares to which Foreign Explaurum Shareholders would otherwise be entitled will be issued to a sale nominee approved by ASIC who will sell those Ramelius Shares on ASX and provide Foreign Explaurum Shareholders with the net sale proceeds.

Further details are set out in Sections 11.10 and 12.7 of the Bidder's Statement. Foreign Explaurum Shareholders should read these provisions in full to understand their rights in terms of consideration under the Offer.

## 8. Risk factors

### 8.1 Overview

Explaurum Shareholders should be aware of the following key risks. The risks presented below are by no means an exhaustive list of risks relevant to the Offer or Explaurum, Ramelius, the merged group or their respective performances and share price values.

Nature of risks	Reference
Risks associated with remaining an Explaurum Shareholder	Section 8.4 of this Target's Statement
Risks in associated with becoming a Ramelius Shareholder	Section 10.2 of the Bidder's Statement Section 8.3 of this Target's Statement
Risks relating to the Offer	Section 10.3 of the Bidder's Statement Section 8.2 of this Target's Statement
Risks relating to becoming a shareholder in a merged group	Section 10.3 of the Bidder's Statement Section 8 of this Target's Statement

### 8.2 Risks associated with the Offer

Explaurum Shareholders should be aware of the following key risks as well as the risks disclosed in Section 10 of the Bidder's Statement in relation to the Offer.

#### 8.2.1 Possibility of superior proposal emerging

If you accept the Offer there are limited circumstances under which you may withdraw your acceptance. Accordingly, you may be unable to withdraw your acceptance for the Offer even where:

- an alternate bidder offers you a superior proposal for your Explaurum Shares; or
- the value of your Explaurum Shares varies significantly from the date of your acceptance of the Offer.

#### 8.2.2 Conditions of the Offer

As described in Section 12.8 of the Bidder's Statement and Section 7.1 of this Target's Statement, the Offer is subject to the Offer Conditions. If the Offer Conditions are not satisfied or waived by the applicable date, the Offer will not proceed.

#### 8.2.3 Integration risks

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

Ramelius have stated that part of the appeal of the Offer is the potential synergies between Edna May and Tampia. Ramelius have indicated that the acquisition of Explaurum is expected to result in reduced capital costs and earlier development of Tampia, although Ramelius have not commenced a strategic review in relation to the development of Tampia, including taking into consideration:

- the trucking costs of transporting Tampia ore 140kms to the Edna May plant and the capacity of existing road infrastructure;

- whether Ramelius is granted Shire approval to haul Tampia ore from the mine site to Edna May over public roads;
- the compatibility of Tampia ore with the Edna May plant;
- other operational and cost implications associated with the Ramelius decision to move from an open pit mining to an underground mining;
- the capital costs of any upgrades or modifications associated with using the Edna May plant to process Tampia ore;
- doubt as to whether Explaurum shareholders benefit from having the Tampia ore at Edna May rather than through a stand alone processing facility at Tampia;
- the priority that Ramelius would place on developing Tampia Gold Project over its other existing projects; and
- the impact of developing the Tampia Gold Project on Ramelius' other existing projects and infrastructure.

Therefore, the feasibility and value of potential synergies between Edna May and Tampia have not been quantified with any certainty. Without having conducted this work, no assurance can be given that Ramelius will be capable of realising potential synergies between Edna May and Tampia.

#### **8.2.4 Offer Consideration**

The Offer Consideration 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 Offer Consideration will fluctuate depending upon the market value of the Ramelius Shares.

#### **8.2.5 Capital constraints**

Ramelius' financial capacity to fund Tampia may be development decisions related to its existing business and any additional acquisitions by Ramelius. Ramelius has announced that they are currently involved in other transactions, one of which is their announced acquisition of Marda from Black Oak Minerals. Ramelius intends to fund the \$13.0m acquisition of Marda from their cash reserves. In the absence of equity or debt fund raising, these corporate activities are expected to deplete Ramelius' cash reserves and restrict their ability to fund Tampia or Edna May's future development.

#### **8.2.6 Potential loss of support from community and landowners**

Explaurum have invested significant time and effort building a strong and collaborative relationship with the Narembeen community and landowners. This has largely been based on the community's expectation and dependence on the employment opportunities and community development that the Tampia Gold Project would bring. The integration of Edna May and Tampia's operations may result in a decline in employment opportunities afforded to the Narembeen community and may subsequently decrease support for Tampia.

#### **8.2.7 Risk of minority shareholding**

With no minimum acceptance condition, there is a risk that any benefits that may be realised following the intended strategic review by Ramelius as to its development options for Tampia may not be capable of implementation should Ramelius not achieve a controlling interest in Explaurum. This contrasts with the clear development path under the current Explaurum management.

### **8.2.8 Possibility of future share price depreciation**

If the Offer does not proceed, and there are no alternative proposals to the Offer, the price of Explaurum Shares on ASX may potentially fall to levels at which it was trading prior to the Offer being announced.

Depending on the number of acceptances to the Offer, the number of Explaurum Shares held by investors for trading purposes may be reduced, which potentially diminishes the future liquidity of ASX market trading of Explaurum shares. In those circumstances there is a risk that Explaurum Shares would trade at prices materially lower than the Offer Price.

## **8.3 Investment risks in Ramelius**

As the Offer Consideration comprises Ramelius Shares, Explaurum Shareholders will assume Ramelius' business risks if they accept the Offer. Explaurum Shareholders should be aware of the following key risks as well as the risks disclosed in Section 10 of the Bidder's Statement in relation to the Ramelius' business.

### **8.3.1 No history of paying dividends**

Notwithstanding Ramelius' history of four consecutive years of positive cash flow, the Board has elected not to reward shareholders with a dividend payment. Furthermore, Ramelius has no stated dividend policy.

### **8.3.2 No geographical diversification**

Any circumstance or event which negatively impacts mining operations in Western Australia could affect the financial performance of Ramelius.

## **8.4 Investment risks in Explaurum**

Explaurum's activities are subject to numerous risks which may be specific to the company, generic to the mining industry and generic to the stock market as a whole. The key risks affecting Explaurum are outlined below.

### **8.4.1 Exploration and development risk**

The future value of Explaurum is materially dependent on the success or otherwise of Explaurum's activities in relation to Tampia, which are directed towards search, evaluation and development of gold and other resources. Exploration's activities are speculative and subject to significant risks associated with exploration, mining, processing and production of marketable products. Explaurum's operating cashflows may be impacted by factors including ore tonnes, grade, metallurgical recovery, regulatory changes or any other unforeseen events.

As with any mining exploration project, Explaurum is subject to project delay risks and additional costs which may arise from adverse geological conditions, limitations of activities due to seasonal weather patterns, unanticipated operation and technical difficulties, unexpected shortages or increases in labour costs, spare parts or an unforeseen inability to obtain necessary consents and approvals. Accordingly, there is no guarantee that Explaurum's activities will lead to the economic development of Tampia.

#### **8.4.2 Additional funding requirements**

As the exploration and development of Tampia is capital intensive, Explaurum will require ongoing additional funding. Such funding may be required to carry out further exploration, undertake feasibility studies and / or develop mining operations. No assurance can be given that adequate future funding would be available from mining operations or from external sources on favourable terms, or at all. Any additional equity financing may dilute shareholdings. Inability to obtain funding on reasonable terms will adversely affect Explaurum and may result in Tampia not proceeding or defaults in licences or leases which, if not remedied, could result in forfeiture. There is a risk that Explaurum will not be able to continue as a going concern if it is unable to raise the funds necessary to meet its ongoing debt and working capital obligations.

#### **8.4.3 No geographical diversification**

Explaurum does not currently have a diversified portfolio of operating mines. Accordingly, the price of Explaurum Shares and future financial performance are substantially exposed to Tampia, in the absence of developing its other exploration projects or acquiring other advanced stage projects. Accordingly, any circumstance or event which negatively impacts the region around Tampia, in Western Australia could affect the financial performance of Explaurum.

#### **8.4.4 Tenure and land access**

Mineral exploration licences are subject to period renewal. There is no guarantee that current or future mineral exploration licences or future applications for production licences will be approved. If a tenement is not renewed for any reason, Explaurum may suffer significant damage through loss of opportunity to discover and develop any material resources on that tenement.

#### **8.4.5 Gold price risk**

Explaurum is exposed to gold price risk that may impact the economics of its projects and operations. Commodity prices are generally affected by various factors and events which are out of the control of Explaurum's Board and management. These factors and events include global and regional supply and demand for gold, futures market activity, general economic conditions and the outlook for interest rates and inflation. A decline in gold prices may have a material adverse effect on Explaurum's ability to finance the exploration and development of its existing and future projects.

In making their recommendation for Explaurum Shareholders to take no action in relation to the Offer, the Directors have formed their own view on the outlook of gold prices, and consequently the value of Explaurum, however there is a risk that material movements in gold prices may eventuate.

#### **8.4.6 Estimates of mineral resources and ore reserves**

Mineral Resources and Ore Reserves are estimates only and there are no guarantees that any particular yield of minerals from them will in fact be realised, or that an Ore Reserve will ever qualify as a commercially mineable project. While the estimation of Mineral Resources and Ore Reserves are reported in accordance with the JORC code, the accuracy of these estimates is a function of the quantity and quality of data available and the assumptions and judgments made in interpreting engineering and geological information. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect Explaurum's operations, in particular the development of Tampia.

#### **8.4.7 Occupational health & safety**

The mining industry is an inherently hazardous industry and is subject to occupational health and safety responsibility and liability. The potential for significant loss and liability is a constant risk. If Explaurum fails to comply with necessary Occupational Health and Safety legislative requirements, it could result in fines, penalties and compensation for damages as well as reputational damage.

#### **8.4.8 Environmental risk**

The operations of Explaurum are subject to applicable laws and regulations concerning the environment. Whilst Explaurum conducts its activities to the highest standard of environmental obligations including in compliance with environmental laws, there are certain risks inherent in Explaurum's activities which could subject Explaurum to environmental liability.

#### **8.4.9 Regulatory and legislative changes**

Laws and government policies are subject to review and changes from time to time. Such changes may be beyond the control of Explaurum and have an effect on industry profitability and Explaurum's capacity to explore, mine and engage in production activities.

#### **8.4.10 General share investment risk**

There are risks associated with any investment in a company listed on the ASX. Depending on the performance of Explaurum's operations and external factors, which Explaurum and its Directors have no control over, the value of Explaurum's shares may rise above or fall below the current price.

## 9. Additional Information

### 9.1 Explaurum share capital

As at the date of this Target's Statement, Explaurum's share capital comprises:

Class of Security	Number on Issue
Fully paid ordinary shares	481,412,320
Unlisted Options exercisable at \$0.098 on or before 22 September 2019	8,000,000
Unlisted Options exercisable at \$0.07 on or before 10 November 2020	14,216,421
Unlisted Options exercisable at \$0.096 on or before 17 May 2021	358,695
Performance Rights exercisable when 10 day VWAP is at least \$0.25	3,800,000
Performance Rights exercisable when 10 day VWAP is at least \$0.35	3,800,000
Performance Rights exercisable when 10 day VWAP is at least \$0.45	3,800,000
Performance Rights exercisable when 10 day VWAP is at least \$0.25	2,533,333
Performance Rights exercisable when 10 day VWAP is at least \$0.35	2,533,333
Performance Rights exercisable when 10 day VWAP is at least \$0.45	2,533,334

### 9.2 Directors' interests

#### 9.2.1 Directors' and Key Management's intentions in respect of their own Explaurum Shares

Each Director and the key management team personally intends to **REJECT THE RAMELIUS OFFER** in relation to all Explaurum Shares held by them or in which they otherwise have a relevant interest.

#### 9.2.2 Directors' and Key Management's interests in Explaurum Securities

At the date of this Target's Statement, the Directors and the key management had the following relevant interests in Explaurum securities:

Director	Role	Shares	Options	Performance Rights
Chris Baker	Non-executive Chairman	1,458,831	1,208,955	2,370,000
John Lawton	Managing Director	7,020,232	6,156,717	5,880,000
Stephen Stroud	Non-executive Director	578,228	805,971	3,150,000
Gregor Partington	General Manager of Operations	3,187,848	2,955,224	3,500,000
Paul Frederiks	Chief Financial Officer and Company Secretary	2,634,004	2,149,254	2,600,000
<b>Total</b>			<b>13,276,121</b>	<b>17,500,000</b>

#### 9.2.3 Dealings in Explaurum Shares

On 31 August 2018, Mr Chris Baker acquired a relevant interest in 1,248,000 Explaurum Shares for a total purchase price of \$37,440 following the exercise of options expiring on 31 August 2018.

On 31 August 2018, Mr John Lawton acquired a relevant interest in 3,228,000 Explaurum Shares for a total purchase price of \$96,840 following the exercise of options expiring on 31 August 2018.

No other Director acquired or disposed of a relevant interest in any Explaurum Shares during the four month period ending on the date immediately before the date of this Target's Statement.

#### 9.2.4 Directors' interests in Ramelius Shares

At the date of this Target's Statement, no Director has a relevant interest in any Ramelius Shares or other securities of Ramelius.

#### 9.2.5 Dealings in Ramelius Shares

No Director has acquired or disposed of a relevant interest in any Ramelius Shares or other securities of Ramelius during the four month period ending on the date immediately before the date of this Target's Statement.

### 9.3 Benefits and agreements

#### 9.3.1 Directorships

At the date of this Target's Statement, no Director of Explaurum is a director of Ramelius.

#### 9.3.2 Benefits and agreements conditional upon the Offer

No Director is party to any agreement or arrangement with, and no Director is entitled to receive a benefit from, any other person in connection with or conditional on the outcome of the Offer, other than in their capacity as holder of Explaurum Shares.

#### 9.3.3 Payments and benefits

None of the Directors have agreed to receive, or are entitled to receive, any benefit from Ramelius which is conditional on, or is related to, the Offer, other than in their capacity as a holder of Explaurum Shares.

No person has been or will, as a result of the Offer, be given any benefit in connection with the retirement of that person, or someone else, from the Board, managerial office or a related body corporate of Explaurum.

#### 9.3.4 Interests of Directors in contracts entered into by Ramelius

None of the Directors have any interest in any contract entered into by Ramelius or its related bodies corporate.

### 9.4 Substantial shareholders

As at the date of this Target's Statement, the following persons held a relevant interest in Explaurum Shares of more than 5% as disclosed in substantial holder notices provided to ASX:

Name	Number of Explaurum Shares	Percentage of Explaurum Shares
West Trade Enterprises Pty Ltd	30,405,576	6.43%

### 9.5 Performance Rights Plan

A summary of the material terms and conditions of the Explaurum Performance Rights Plan was contained in the Company's 2017 Notice of Annual General Meeting in the context of the Shareholder approval given for the grant of performance rights to the Directors. Details of the performance conditions are also contained in the Company's 2018 Financial Report which has been released to the ASX.

Relevantly, the Plan Rules provide that where a Change of Control Event has occurred or, in the opinion of the Board there are reasonable grounds to believe that a Change of Control Event will occur, the Performance Rights granted will vest if, in the Board's absolute discretion, performance is in line with the performance conditions attaching to those Performance Rights over the period from the date of grant to the date of the Change of Control Event.

Any Performance Right which the Board determines does not vest will lapse automatically, unless the Board determines otherwise.

A **Change of Control Event** occurs if:

- the Company becomes a subsidiary of another company;
- the Company sells its main business to a person other than an Explaurum Group Company;
- a company which is a subsidiary of the Company which carries on the main business of the Explaurum Group ceases to be a subsidiary of the Company;
- there is any other reorganisation of the Company and the other Explaurum Group Companies which results in a participant ceasing to be an eligible employee; or
- the Company passes a resolution for voluntary winding up or if an order is made for the compulsory winding up of the Company.

## 9.6 Trading of Explaurum Shares

The highest, lowest and last sales price of Explaurum Shares during the three months immediately preceding 3 October 2018:

	Price per Explaurum Share	Date of trade
<b>Highest</b>	\$0.125	2 October 2018
<b>Lowest</b>	\$0.070	4 September 2018
<b>Last</b>	\$0.120	2 October 2018

## 9.7 Potential Impact of the Offer on Explaurum's material contracts

Explaurum is not aware of any contract that it considers material which contains a change of control provision that may be triggered if Ramelius acquires Explaurum Shares as a result of the Offer.

## 9.8 Material litigation

As at the date of this Target's Statement, Explaurum has no knowledge or, nor any expectation of, any material litigation or dispute.

## 9.9 Taxation considerations for Explaurum Shareholders

The taxation consequences of accepting the Offer depends on a number of factors and will vary depending on your particular circumstances. A general outline of the tax implications of accepting the Offer is set out in Section 13 of the Bidder's Statement. The outline provided in the Bidder's Statement is of a general nature only and you should seek your own specific professional advice as to the taxation implications applicable to your circumstances.

## 9.10 Continuous disclosure

Explaurum is a 'disclosing entity' under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. These obligations require Explaurum to notify ASX of information about specific matters and events as they occur for the purposes of making that information available to the market. In particular, Explaurum has an obligation (subject to limited exceptions) to notify ASX immediately on becoming aware of any information which a reasonable person would expect to have a material effect on the price or value of Explaurum.

Copies of the documents filed with ASX may be obtained from ASX website at [www.asx.com.au](http://www.asx.com.au) or from the Explaurum website [www.explaurum.com](http://www.explaurum.com). Explaurum Shareholders may also obtain a copy of the following documents free of charge upon request by contacting the Shareholder Information Line on **1300 362 398** (within Australia) or **+61 2 8355 1004** (outside Australia) which is available Monday to Friday between 8:30am and 5:00pm (Sydney time):

- Explaurum Half Year Report for the half year ended 31 December 2018;
- Explaurum Annual Report for the financial year ended 30 June 2017;
- Explaurum's Constitution; and
- any document lodged by Explaurum with ASX between the release of Explaurum's 2017 Annual Report and the date of this Target's Statement.

### 9.11 Other information

There is no other information material to the making of a decision by an Explaurum Shareholder whether or not to accept the Offer, being information that is within the knowledge of any of the Directors that has not previously been disclosed to Explaurum Shareholders, other than as set out in the Bidder's Statement and elsewhere in this Target's Statement.

### 9.12 Consents and disclaimers

The following persons have each given and have not, before lodgement of this Target's Statement with ASIC, withdrawn their consent to be named in this Target's Statement as acting in a professional capacity for Explaurum in relation to the Offer in the form and context in which they are named:

- Ironstone Capital Advisory Pty Ltd, as corporate advisor to Explaurum in relation to the Offer;
- Thomson Geer, as legal advisors to Explaurum in relation to the Offer;
- BDO Corporate Finance (QLD) Ltd, as the Independent Expert

Each person named in this Section 9.12 as having given its consent to being named in this Target's Statement:

- has not authorised or caused the issue of this Target's Statement;
- does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name which have been included in this Target's Statement with the consent of that person.

### 9.13 ASIC Class Order 13/521

ASIC has published various Class Orders and Legislative Instruments that modify, or exempt parties from compliance with the operation of various provisions of Chapter 6 of the Corporations Act. Explaurum has relied on ASIC Class Order and/or Legislative Instrument relief. As permitted by ASIC Class Order 13/521 this Target's Statement contains statements which are made in, or based on statements made in, documents by various parties (including Ramelius) with ASIC, or given to ASX, namely in the Bidder's Statement. Pursuant to this ASIC Class Order, the consent of persons to whom such statements are attributed is not required for the inclusion of these statements in this Target's Statement.

As required by ASIC Class Order 13/521, Explaurum will make available a copy of these documents (free of charge) to Explaurum Shareholders on request during the Offer Period by contacting Explaurum.

#### **9.14 Approval of the Target's Statement**

This Target's Statement has been approved by a resolution passed by the Directors and lodged with ASIC. This Target's Statement is dated 12 October 2018 and was lodged with ASIC on that date.

Chris Baker  
Chairman  
Date: 12 October 2018

## 10. Glossary and Interpretation

### 10.1 Glossary

In this Target's Statement the following words have these meanings unless the contrary intention appears or the context otherwise requires:

<b>\$ or dollar</b>	Australian dollars, unless otherwise stated
<b>AISC</b>	All-in sustaining cost comprising the C1 cost plus royalties, corporate support and share services costs, sustaining capital, lease principal and interest charges and deferred mining and inventory adjustments capitalised.
<b>ASIC</b>	Australian Securities and Investments Commission
<b>Associate</b>	has the meaning given to that term in section 9 of the Corporations Act
<b>ASX Settlement Operating Rules</b>	the rules of ASX Settlement Pty Limited from time to time
<b>ASX</b>	means ASX Limited or the financial market which it operates, as the context requires
<b>ASX Listing Rules or Listing Rules</b>	the official listing rules of the ASX
<b>Bidder's Statement or Ramelius' Bidder's Statement</b>	the bidder's statement dated 10 September 2018 as supplemented by a Supplementary Bidder's Statement dated 20 September 2018 relating to the Offer prepared by Ramelius
<b>Board or Explaurum Board</b>	The board of Directors of Explaurum
<b>CHESS</b>	means the Clearing House Subregister System, which provides for electronic security transfer in Australia
<b>CHESS Holding</b>	means a holding of shares on the CHESS subregister of Explaurum
<b>CGT</b>	capital gains tax
<b>Controlling Participant</b>	means, in relation to shares in a CHESS Holding, the Participant (as defined in the ASX Settlement Operating Rules) with whom the holder has a sponsorship agreement as defined in the ASX Settlement Operating Rules (usually your broker)
<b>Corporations Act</b>	The Corporations Act 2001 (Cth)
<b>Directors</b>	The members of the Explaurum Board
<b>Explaurum or the Company</b>	Explaurum Limited ACN 114 175 138
<b>Explaurum Group</b>	means Explaurum and any of its controlled entities.
<b>Foreign Explaurum Shareholder</b>	means an Explaurum Shareholder whose address shown in the register of members of Explaurum is a place outside Australia and its external territories or New Zealand

<b>Independent Expert</b>	means BDO Corporate Finance (QLD) Ltd
<b>Joint Venture Agreement</b>	means the joint venture agreement between Auzex Exploration Limited ACN 153 608 596 (a subsidiary of Explaurum), Tampiagold Pty Ltd ACN 141 841 367 and Goldoro Pty Ltd ACN 141 862 222 that established and governs the Joint Venture.
<b>JORC Code</b>	The 2012 Edition of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
<b>Koz</b>	Thousand ounces
<b>LOM</b>	Life of mine
<b>Mace Discovery</b>	means a shallow supergene gold mineralisation between the Tampia resource area and the Mace Discovery area to the west
<b>Mace Update</b>	<ul style="list-style-type: none"> <li>• <b>Mineral Resource estimate</b> – an update targeting a JORC-compliant Indicated Mineral Resource estimate for the Mace Discovery; and</li> <li>• <b>scoping study</b> – if there is an Indicated Mineral Resource estimate, a scoping study in relation to the inclusion of the Mace Discovery as part of the Tampia Gold Project.</li> </ul>
<b>Notice of Status of Conditions</b>	the notice required to be given under section 630(3) of the Corporations Act relating to the status of conditions under the Offer.
<b>Offer or Ramelius' Offer or the Ramelius Offer</b>	the offer by Ramelius for all of the Explaurum Shares made under the Bidder's Statement.
<b>Offer Conditions</b>	The conditions of the Offer as set out in section 12.8 of the Bidder's Statement
<b>Offer Consideration</b>	the consideration under the Offer for each Explaurum Share to which the Offer applies. That consideration is 4 Ramelius shares for every 1 Explaurum Share to which the Offer applies
<b>Offer Period</b>	the period during which the Offer remains open for acceptance in accordance with Ramelius' Bidder's Statement
<b>Options or Explaurum Options</b>	means all options to acquire Explaurum Shares as set out in section 9.2.2 of this Target's Statement
<b>Person</b>	an incorporated or unincorporated body or association as well as a natural person
<b>Ramelius</b>	Ramelius Resources Limited ACN 001 717 540
<b>Ramelius Group</b>	Ramelius and its controlled entities
<b>Ramelius Share</b>	a fully paid ordinary share in the capital of Ramelius
<b>Ramelius Shareholder</b>	the registered holder of a Ramelius Share

<b>Record Date</b>	the date set by Ramelius under section 633(2) of the Corporations Act for determining holders of securities to whom the Bidder's Statement and Target's Statement must be sent, being 5:00pm (Australian Western Standard Time) on 11 September 2018.
<b>Shareholder or Explaurum Shareholder</b>	person registered in the register of members of Explaurum as a holder of one or more Explaurum Shares
<b>Shares or Explaurum Shares</b>	Fully paid ordinary shares in the capital of Explaurum and all rights attaching to those Shares
<b>Tampia or the Tampia Gold Project</b>	The proposed development of a mine in respect of the gold deposits known as 'Tampia'.
<b>Tampia Joint Venture</b>	The joint venture between Auzex Exploration Limited ACN 153 608 596 (a subsidiary of Explaurum), Tampiagold Pty Ltd ACN 141 841 367 and Goldoro Pty Ltd ACN 141 862 222 for the exploration and development of the Tampia Gold Project established under the Joint Venture Agreement in which Explaurum has a 90% joint venture interest.
<b>Target's Statement</b>	This document, being the statement of Explaurum pursuant to the Corporations Act relating to the Offer, as varied or supplemented from time to time.
<b>VWAP</b>	Volume weighted average price

## 10.2 Interpretation

The following rules of interpretation apply unless the contrary intention appears or the context requires otherwise:

- (a) a reference to time is a reference to Brisbane time;
- (b) headings are for convenience only and do not affect interpretation;
- (c) the singular includes the plural and conversely;
- (d) a reference to a section is to a section of this Target's Statement;
- (e) a gender includes all genders;
- (f) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (g) \$, dollar or cents is a reference to the lawful currency in Australia, unless otherwise stated;
- (h) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;
- (i) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (j) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;
- (k) a reference to any instrument or document includes any variation or replacement of it;
- (l) a term not specifically defined in this Target's Statement has the meaning given to it (if any) in the Corporations Act or the ASX Settlement Operating Rules, as the case may be;
- (m) a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually; and
- (n) the words 'include', 'including', 'for example' or 'such as' are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

## 11. Corporate Directory

### Directors

Mr Chris Baker  
Mr John Lawton  
Mr Stephen Stroud

### Company Secretary

Mr Paul Frederiks

### Share Registry

Computershare Investor Services Pty  
Limited  
Level 1  
200 Mary Street  
Brisbane QLD 4000

### Corporate Advisor

Ironstone Capital Advisory Pty Ltd  
Level 25  
Governor Macquarie Tower  
1 Farrer Place  
Sydney NSW 2000

### Independent Expert

BDO Corporate Finance (QLD) Ltd  
Level 10  
12 Creek Street  
Brisbane QLD 4000

### Principal Office

Explaurum Limited  
1A Ivy Street  
Indooroopilly QLD 4068

### Website

<http://www.explaurum.com>

### ASX Code

EXU

### Legal Advisor

Thomson Geer  
Level 16 Waterfront Place  
1 Eagle Street  
Brisbane QLD 4000

