



3 July 2023

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

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

In accordance with item 14 of section 633(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), we attach a copy of the Target's Statement issued by Musgrave Minerals Ltd ACN 143 890 671 (ASX: MGV) (**Musgrave**) in relation to the off-market takeover bid by Westgold Resources Limited ACN 009 260 306 (**Westgold**) under Chapter 6 of the Corporations Act for all the ordinary shares in Musgrave.

The Target's Statement is being lodged today with the Australian Securities and Investments Commission and served on Westgold.

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

Yours faithfully

A handwritten signature in black ink, appearing to read "Trish Farr", enclosed within a circular scribble.

Patricia (Trish) Farr
Company Secretary
Musgrave Minerals Limited



TARGET'S STATEMENT

MUSGRAVE MINERALS LIMITED ACN 143 890 671

In relation to the takeover offer by Westgold Resources Limited ACN 009 260 306 to purchase all of your fully paid ordinary shares in

Musgrave Minerals Limited in consideration for
1 Westgold Share for every 5.37 Musgrave Shares

Your Directors unanimously recommend that you



REJECT

the Westgold Resources Limited Offer

BY TAKING NO ACTION

This is an important document and requires your immediate attention. If you are in any doubt as to how to deal with this document, you should consult your financial, legal, tax or other professional adviser immediately.

Thomson Geer
Lawyers

Legal Adviser

 **LONGREACH**
CAPITAL

Financial Adviser

CONTENTS

| | |
|--|----|
| LETTER FROM THE CHAIRMAN | 1 |
| IMPORTANT NOTICES | 3 |
| 1 REASONS TO REJECT THE WESTGOLD OFFER | 5 |
| 2 OVERVIEW | 13 |
| 3 FREQUENTLY ASKED QUESTIONS | 15 |
| 4 YOUR CHOICES AS A MUSGRAVE SHAREHOLDER | 23 |
| 5 INFORMATION ABOUT MUSGRAVE | 25 |
| 6 INFORMATION ABOUT WESTGOLD | 33 |
| 7 RISK FACTORS | 34 |
| 8 KEY FEATURES OF THE WESTGOLD OFFER | 47 |
| 9 TAXATION CONSEQUENCES | 52 |
| 10 ADDITIONAL INFORMATION | 57 |
| 11 AUTHORISATION | 64 |
| 12 GLOSSARY | 65 |
| CORPORATE DIRECTORY | 74 |

IMPORTANT DATES

| | |
|---|-------------------------------------|
| Announcement Date | 6 June 2023 |
| Lodgement of Bidder's Statement | 9 June 2023 |
| Westgold Offer Opens | 23 June 2023 |
| Lodgement of Target's Statement | 3 July 2023 |
| Date for notice on the status of conditions | 14 July 2023 |
| Westgold Offer Closes (unless extended or withdrawn*) | 5:00pm (Perth time) on 24 July 2023 |

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

MUSGRAVE SHAREHOLDER INFORMATION LINE

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

LETTER FROM THE CHAIRMAN

Dear Musgrave Shareholder

On 6 June 2023, Westgold made an unsolicited off-market scrip-for-scrip takeover offer to acquire all of your Musgrave Shares. Westgold is offering one (1) Westgold Share for every 5.37 Musgrave Shares held (**Westgold Offer**). The Bidder's Statement from Westgold was announced on 9 June 2023 and outlines the terms and conditions of the Westgold Offer.

THE MUSGRAVE DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU REJECT THE WESTGOLD OFFER

The Musgrave Directors have considered the Westgold Offer and unanimously recommend that Musgrave Shareholders **REJECT** the Westgold Offer.

Each Musgrave Director intends to **REJECT** the Westgold Offer in relation to any Musgrave Shares they own or control.

Each Musgrave Director unanimously recommends that Musgrave Shareholders accept the superior Ramelius Offer (in the absence of a Superior Proposal). Each Musgrave Director has already agreed to accept all Musgrave Shares they own or control into the Ramelius Offer.

On 3 July 2023, Musgrave announced that it had entered into the Ramelius Bid Implementation Agreement with Ramelius pursuant to which Ramelius offered to acquire 100% of Musgrave Shares for one (1) Ramelius share for every 4.21 Musgrave Shares held and \$0.04 in cash for every Musgrave Share held. The Musgrave Directors consider the Ramelius Offer to be superior to the Westgold Offer. Further information on the Ramelius Offer is set out in Section 10.1 of this Target's Statement. Further information in relation to the Ramelius Offer will also be provided in a bidder's statement issued by Ramelius and another target's statement issued by Musgrave in relation to the Ramelius Offer.

KEY REASONS THE MUSGRAVE DIRECTORS UNANIMOUSLY RECOMMEND YOU REJECT THE WESTGOLD OFFER

In summary, the key reasons why the Musgrave Directors recommend you **REJECT** the Westgold Offer are as follows:

- The implied Westgold Offer Consideration price is less than that offered under the Ramelius Offer. The Ramelius Offer includes one (1) Ramelius share for every 4.21 Musgrave Shares held and \$0.04 in cash for every Musgrave Share held.
- The implied Westgold Offer Consideration price is below the Musgrave Share price.
- The Westgold Offer is opportunistic given Musgrave's potential.
- Musgrave delivers immediate growth to Westgold.
- The Westgold Offer is highly conditional and uncertain. If you accept into the Westgold Offer you will be unable to accept into the superior Ramelius Offer.
- Musgrave Shareholders may face adverse tax consequences if they accept the Westgold Offer.

Each of the above key reasons to **REJECT** the Westgold Offer are detailed in Section 1 of this Target's Statement.

WHAT SHOULD YOU DO?

To **REJECT** the Westgold Offer, simply **DO NOTHING**.

However, you should read this Target's Statement and the Bidder's Statement carefully, and in their entirety, as they will assist you in making an informed decision in respect to the Westgold Offer. If you are in any doubt as to what you should do, I encourage you to seek advice from independent and appropriately licensed financial, legal, taxation and other professional advisers before making your decision in relation to your Musgrave Shares.

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

On behalf of the Board, I thank you in anticipation of your continuing support.

Yours faithfully

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

Graham Ascough
Non-Executive Chairman

IMPORTANT NOTICES

Nature of this document

This Target's Statement is dated 3 July 2023 and is given under section 633 of the Corporations Act by Musgrave Minerals Limited ACN 143 890 671 in response to the Bidder's Statement lodged by Westgold Resources Limited ACN 009 260 306 with ASIC and served on Musgrave on 9 June 2023.

Defined terms and interpretation

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

References Sections

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

ASIC and ASX disclaimer

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

No account of personal circumstances

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

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

Risk factors

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

Forward looking statements

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

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

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

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

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

Disclaimer as to information on Westgold

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

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

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

The Mineral Resource estimates for the Break of Day, Lena, White Heat-Mosaic, Big Sky, Numbers, Leviticus, Jasper Queen, Gilt Edge, Rapier South, the Hollandaire Gold Cap and Hollandaire Copper-Gold deposits in this Target's Statement were first disclosed in Musgrave's ASX announcement released on 31 May 2022, titled "Cue Mineral Resource Increases to 927,000 ounces".

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

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

Diagrams, charts, maps, graphs and tables

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

Effect of rounding

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

Currency

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

Notice to Foreign Shareholders

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

jurisdictions outside Australia. Accordingly, persons outside Australia who come into possession of this Target's Statement should seek advice and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with law and regulations outside Australia.

Privacy and personal information

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

Musgrave Shareholder Information Line

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

1 REASONS TO REJECT THE WESTGOLD OFFER

The Musgrave Directors have considered the advantages and disadvantages of the Westgold Offer and unanimously recommend that you **REJECT** the Westgold Offer.

The reasons for this recommendation are set out below and were included in the letters sent to Musgrave Shareholders on 26 and 28 June 2023 (**Shareholder Letters**).

On 3 July 2023, Musgrave announced that it had entered into the Ramelius Bid Implementation Agreement with Ramelius pursuant to which Ramelius offered to acquire 100% of Musgrave Shares for one (1) Ramelius share for every 4.21 Musgrave Shares held and \$0.04 in cash for every Musgrave Share held. The Musgrave Directors consider the Ramelius Offer to be superior to the Westgold Offer. Each Musgrave Director unanimously recommends that Musgrave Shareholders accept the superior Ramelius Offer (in the absence of a Superior Proposal). Each Musgrave Director has agreed to accept all Musgrave Shares they own or control into the Ramelius Offer.

Each Musgrave Director intends to **REJECT** the Westgold Offer in relation to any Musgrave Shares they own or control.

The Musgrave Directors acknowledge that there may be risks associated with not accepting the Westgold Offer, as highlighted in Section 7.3 of this Target's Statement, and that each Musgrave Shareholder's risk profile, investment strategy, tax position and financial circumstances are different. If in any doubt as to what to do, Musgrave Shareholders should obtain financial advice from their broker or financial adviser on the Westgold Offer and taxation advice on the effect of accepting the Westgold Offer.

1.1 The implied Westgold Offer Consideration price is less than that offered under the Ramelius Offer

The implied Westgold Offer Consideration price is less than that offered under the Ramelius Offer.

The Ramelius Offer is one (1) Ramelius share for every 4.21 Musgrave Shares held and \$0.04 in cash for every Musgrave Share held, which as at the Last Practicable Date has an implied price of \$0.34 per Musgrave Share. The Ramelius Offer also provides certainty to Musgrave Shareholders due to the cash component of the consideration.

As at the Last Practicable Date, the implied Westgold Offer price is \$0.268 per Musgrave Shares which is substantially less than the Ramelius Offer price.

The Musgrave Directors consider the Ramelius Offer to be superior to the Westgold Offer.

Musgrave Shareholders should also be aware that all Musgrave Directors have entered into binding pre-bid acceptance agreements in relation to the Musgrave Shares they own or control (14,372,664 Musgrave Shares (2.43%) in total) to accept, or procure the acceptance of, the Ramelius Offer by no later than 5 days after the commencement of the Ramelius Offer period, subject to the ability to terminate the agreements if a Superior Proposal arises before 5 days after the commencement of the Ramelius Offer period.

Musgrave's largest shareholder, Westminex Pty Ltd (and associated entities¹) holding 57,338,325 Musgrave Shares (9.7%), has also entered into a binding pre-bid acceptance

¹ Westminex Pty Ltd (17,313,364 Musgrave Shares), Sacrosanct Pty Ltd (8,750,000 Musgrave Shares), Auralandia Pty Ltd (7,060,670 Musgrave Shares), Albers Family Custodian Pty Ltd (5,500,000 Musgrave Shares), Great Australia Corporation Pty Ltd (3,322,438 Musgrave Shares), Cue Diversified Pty Ltd (2,799,118 Musgrave Shares), Great Missenden Holdings Pty Ltd (1,727,668 Musgrave Shares), National Energy Pty Ltd (1,350,000 Musgrave Shares), Natural Resources Group Pty Ltd (1,342,265 Musgrave Shares), Goldsbrough Pty Ltd (1,150,000 Musgrave Shares), TransAustralia Group Pty Ltd (1,150,000 Musgrave Shares), Ultragas Pty Ltd (903,703 Musgrave Shares), Bass Strait Group Pty Ltd (700,000 Musgrave Shares), Capricorn Mining Pty Ltd (681,590 Musgrave Shares), Ultragas Resources Pty Ltd (650,000 Musgrave Shares), 500 Custodians Company Pty Ltd (605,917 Musgrave Shares), Ernest Geoffrey Albers & Pamela Joy Albers (557,898 Musgrave Shares), Albers Custodian Company Pty Ltd (495,917 Musgrave Shares), Gascorp Australia Pty Ltd (450,000 Musgrave Shares), Seaquest Petroleum Pty Ltd (358,823 Musgrave Shares), Australis Finance Pty Ltd (265,795 Musgrave Shares), and Hawkestone Resources Pty Ltd (203,159 Musgrave Shares).

agreement in relation to the Musgrave Shares it owns or controls to accept, or procure the acceptance of, the Ramelius Offer by no later than 5 days after the commencement of the Ramelius Offer period, subject to the ability to terminate the agreements if a Superior Proposal arises before 5 days after the commencement of the Ramelius Offer period.

1.2 The implied Westgold Offer Consideration price is below the Musgrave Share price

The implied Westgold Offer price is below the Musgrave Share price.²

As at 27 June 2023, the last practicable day prior to the release of the Shareholder Letter dated 28 June 2023, the Musgrave Share price closed at \$0.29 compared to the implied Westgold Offer price of \$0.268.

Under the Westgold Offer, Musgrave Shareholders will receive one (1) Westgold share for every 5.37 Musgrave Shares held, which implied a value of \$0.298 per Musgrave Share based on Westgold's closing price on 5 June 2023, being the last day prior to the announcement of the Westgold Offer by Westgold on 6 June 2023 (**Announcement Date**).

The following table illustrates the implied premia represented by the implied Westgold Offer price on a 'like for like' basis relative to the historical trading prices of Westgold Shares and Musgrave Shares on the ASX prior to the Announcement Date.

| | 27 June 2023 | 5 June 2023 | 5 Day VWAP * | 30 Day VWAP * | 60 Day VWAP * |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Westgold Share Price | \$1.44 | \$1.60 | \$1.558 | \$1.569 | \$1.412 |
| Westgold Offer Ratio | 5.37 x | 5.37 x | 5.37 x | 5.37 x | 5.37 x |
| Implied Westgold Offer price | \$0.268 | \$0.298 | \$0.290 | \$0.292 | \$0.263 |
| Musgrave Share Price | \$0.290 | \$0.255 | \$0.245 | \$0.232 | \$0.221 |
| Premia / (Discount) | (8%) | 17% | 18% | 26% | 19% |

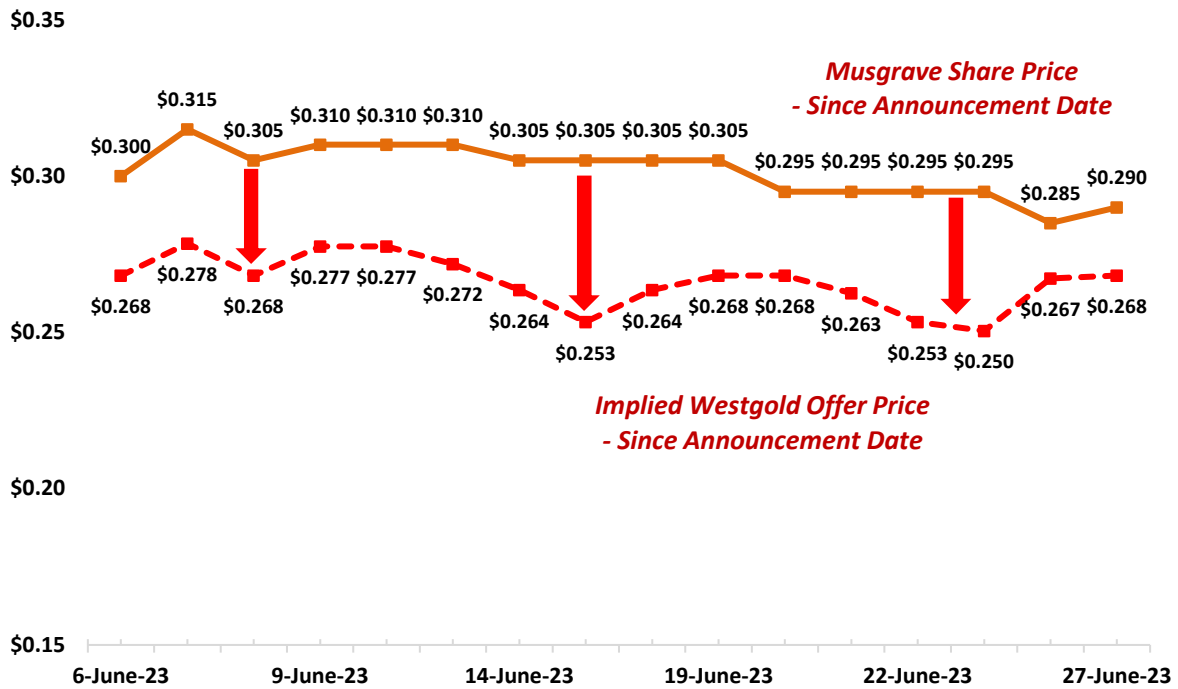
* Volume weighted average price (VWAP) up to and including 5 June 2023, the last trading day prior to the Announcement Date.

The following chart shows that since the Announcement Date, the Musgrave Share price is trading above the implied Westgold Offer price.³

² As at the Last Practicable Date and as at 27 June 2023. As you are being offered Westgold Shares as consideration for your Musgrave Shares, the implied value of the Westgold Offer will vary with the price at which Westgold Shares trade on the ASX. The premia and implied Westgold Offer price presented in this Target Statement are based on the Westgold Offer Consideration being 1 (one) Westgold Share for every 5.37 of your Musgrave Shares.

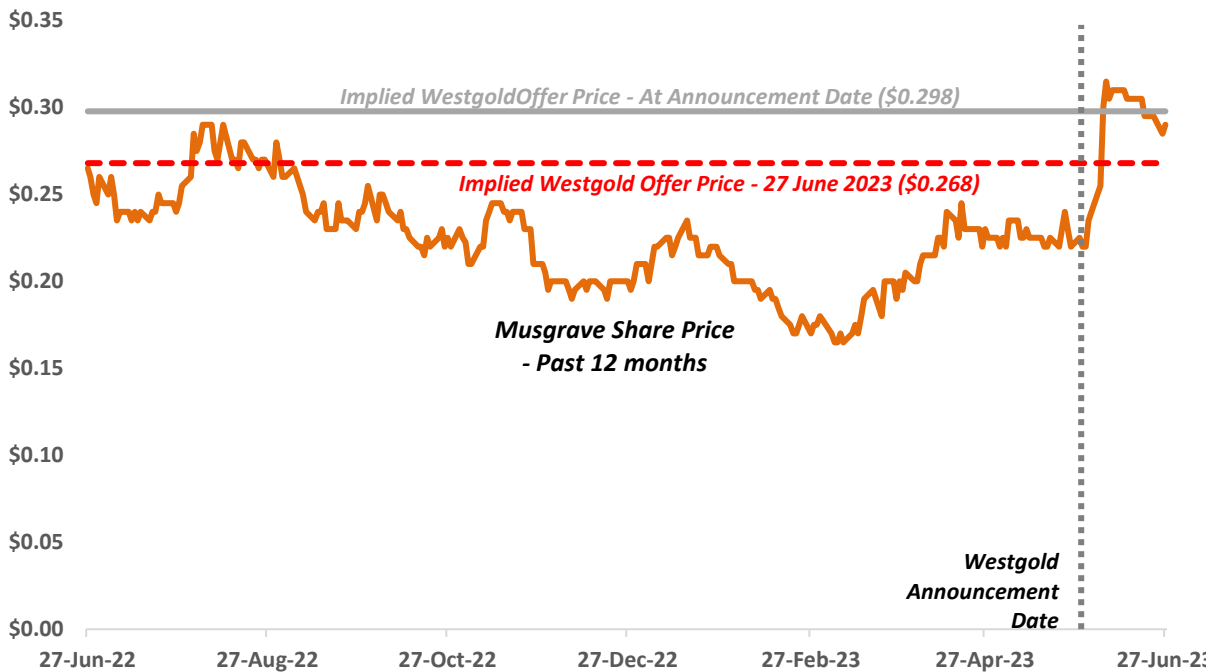
³ As you are being offered Westgold Shares as consideration for your Musgrave Shares, the implied value of the Westgold Offer will vary with the price at which Westgold Shares trade on the ASX. The premia and implied Westgold Offer price presented in this Target Statement are based on the Westgold Offer Consideration being 1 (one) Westgold Share for every 5.37 of your Musgrave Shares.

Musgrave Share Price vs Implied Westgold Offer price – Since Announcement Date



The trading price of Musgrave Shares on the ASX for the past 12 months compared to the implied Westgold Offer price as at the Announcement Date and 27 June 2023, the last practicable date prior to the release of the Shareholder Letter dated 28 June 2023 is presented below.

Musgrave Share Price vs Implied Westgold Offer price Metrics – Past 12 Months



Although many factors affect the price of any given security, if the Westgold Offer is not successful, the Musgrave Share price may fall below the implied Westgold Offer price and trade back at those levels seen prior to the Announcement Date.

For completeness, Musgrave notes that the Westgold Share price has traded in the range of \$0.695 to \$1.74 in the previous 12 months and the Westgold Offer was a premium to Musgrave's Share price on 2 June 2023 as outlined in the Bidder's Statement.

1.3 The Westgold Offer is opportunistic given Musgrave's potential

Musgrave holds approximately 310km² of highly prospective tenements in the Cue area of the Murchison region of Western Australia.

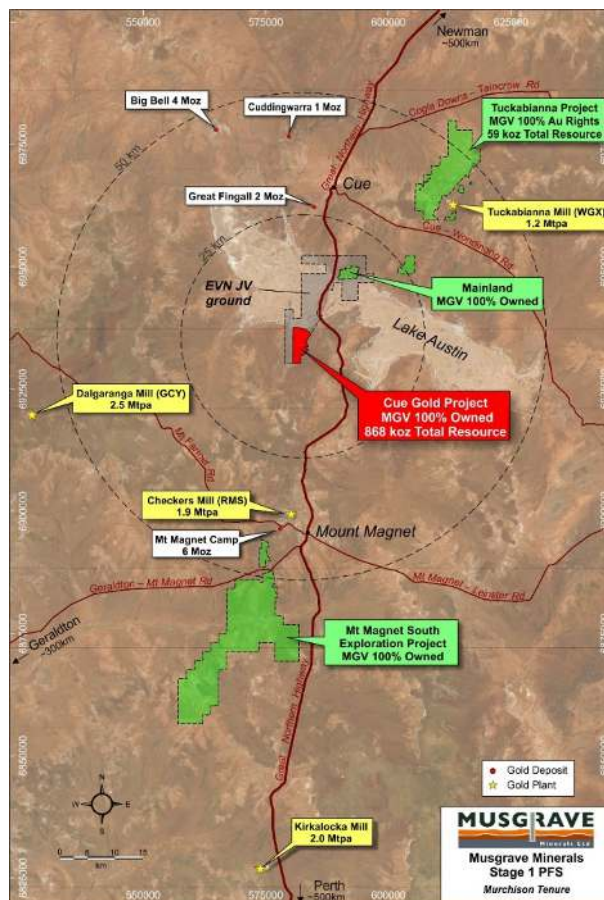
Over the past 7 years Musgrave has completed over 190,000m of highly successful drilling leading to the delineation of significant gold mineral resources (inferred and indicated) of 927,000 ounces (**JORC Code**), including 327,000 high grade ounces at 10.4g/t at Break of Day and White Heat-Mosaic.

This high-grade resource forms the foundations of the Stage 1 Prefeasibility Study (**PFS**) which demonstrates that Musgrave's Cue Gold Project is one of the highest margin, undeveloped gold projects in Australia.

The Cue Gold Project has an internal rate of return (**IRR**) of 95% (pre-tax) and the potential to deliver over 65,000 ounces of gold annually over an initial 5-year period, including 80,000oz/year for the first 3 years, at an AISC of A\$1,315/oz and AIC of A\$1,675/oz (based on full amortisation of start-up capital).

The Cue Gold Project generates cashflow of \$314M (before tax) and an EBITDA of \$528M (at A\$2,600/oz) with a C1 cost of A\$934/oz. With this cost profile (based on Q1 2023 capital and operating cost assumptions), the Cue Gold Project is expected to be in the lowest cost quartile of gold producers in Australia.

Furthermore, the success of Musgrave's existing exploration program remains on track to deliver resource growth and support an extended mine life.



Murchison region, project location plan

Musgrave released the results of its Stage 1 PFS on its Cue Gold Project on 17 April 2023 under the announcement released on ASX titled "Potential value of the Cue Gold Project demonstrated by Stage 1 Prefeasibility Study".

The key metrics of the Stage 1 PFS are described in the table below, which includes the NPV, EBITDA, C1 costs, AISC and pre-production capital expenditure costs.

| Cue Gold Project Stage 1 PFS Base Case | | |
|---|----------|---------------------------------------|
| Key Project Metrics (Real unless stated) | Unit | Stage 1 PFS @ \$2,600 Au |
| Initial Project Life (Total) | months | 70 Mth(s) |
| Initial Operating Life (Total) | months | 62 Mth(s) |
| Nominal Processing Plant throughput (annum) | ktpa | 500 |
| Gold Price | AUD / oz | 2,600 / oz |
| Process Plant Feed Tonnes | t | 2,448,767 |
| Process Plant Feed Grade | g/t | 4.4 |
| Gold Recovery Overall Percentage | % | 97.8% |
| Gold Recovered | oz | 337,381 |
| Gold Recovered- Annual Average over initial 5 yrs | oz | Approx. 65,000 oz |
| Operating Cost | AUD M | (350.8) |
| Sustaining Capital | AUD M | (92.9) |
| Pre Production Capital | AUD M | (121.3) |
| Undiscounted Cashflow (before Tax) | AUD M | 314.0 |
| Undiscounted Cashflow (After Tax) | AUD M | 287.7 |
| EBITDA | AUD M | 528.2 |
| EBIT | AUD M | 288.8 |
| NPAT | AUD M | 262.6 |
| C1 Cost | AUD / oz | 934 / oz |
| All-in-Sustaining Cost (AISC) | AUD / oz | 1,315 / oz |
| Pre-production CAPEX | AUD M | 121.3 |
| Project NPV (Pre-Tax 8%) | AUD M | 235.1 |
| Project NPV (Post Tax 8%) | AUD M | 215.0 |
| Project IRR (Pre-Tax) | % | 95% |
| Project IRR (Post Tax) | % | 91% |
| Project Payback Period from Production Start | Period | 9 Mth(s) |
| Maximum Project Drawdown (W/C - Working Capital) | AUD M | (121.3) and W/C of (5.3) |
| Project Physicals (LOM) | Unit | Stage 1 PFS @ \$2,600 Au |
| Total Movement: Open Pits | bcm | 14,025,717 |
| Ore Mined: Open Pits | t | 1,964,355 |
| Ore Grade: Open Pit | g/t | 4.3 g/t |
| Gold Contained: Open Pit | oz | 269,853 |
| Strip Ratio: Open Pits | x | 15.7 x |
| Ore Mined: Break of Day Underground | t | 484,412 |
| Ore Grade Break of Day Underground | g/t | 4.8 g/t |
| Gold Contained: Break of Day Underground | oz | 75,197 |
| Process Plant Feed Tonnes | t | 2,448,767 |
| Process Plant Feed Grade | g/t | 4.4 |
| Process Plant Feed Ounces | oz | 345,051 |
| Total Gold Recovered from Processing Plant | oz | 337,381 |
| Ore Fed- Indicated Category | | 1,722,898 @ 4.8g/t for 258,371 oz rec |
| Ore Fed- Inferred Category | | 725,869 @ 3.5g/t for 79,010 oz rec |

Please refer to Musgrave's ASX announcement titled "Potential value of the Cue Gold Project demonstrated by Stage 1 Prefeasibility Study" released on 17 April 2023 for the full details of the Stage 1 PFS. Musgrave Shareholders are encouraged to read that announcement in

detail, in particular the material assumptions underpinning the Stage 1 PFS disclosed throughout that announcement and the extensive risks disclosures in section 18 of that announcement (pages 105 – 111), including but not limited to risks relating to capital expenditure costs required to develop the Cue Gold Project, economic factors, inflation and supply chain risks, mineral resource risks and regulatory risks.

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

In the opinion of your Musgrave Directors, the Westgold Offer is opportunistic following the results of the Stage 1 PFS. Your Musgrave Directors believe the success of Musgrave's existing exploration program and recent development studies represent significant potential and the Westgold Offer fails to recognise this.

1.4 Musgrave delivers immediate growth to Westgold

Your Musgrave Directors believe that, through its delivery of the Stage 1 PFS, Westgold now appreciates the potential of Musgrave's Cue Gold Project and tenure controlled by Musgrave at Cue, one of the most prospective gold provinces in Western Australia, with significant upside potential.

That is why your Musgrave Directors believe that Westgold has made its unsolicited Westgold Offer at this time.

Through Westgold's own admission Musgrave is valuable, as outlined in the Bidder's Statement and various media articles:

Musgrave ... "provides the opportunity to build a larger scale, more profitable Western Australian gold producer that is dominant in the Murchison region" ⁴

"Really straight forward for us, it's just substituting low grade surface stocks that we've been processing for shallow high-grade open pit feed. I mean we've got 2 processing plants within, ... one within 40kms and one within 120kms of the Cue gold project."⁵

Only by taking control of Musgrave can Westgold control the development of Musgrave's Cue Gold Project and capture the exploration upside of Musgrave's extensive 100% owned ground position.

Musgrave's control of the Cue Gold Project delivers immediate value to Westgold. The Cue Gold Project displaces low grade ore, defers capex and accelerates production milestones for the benefit of Westgold Shareholders. Musgrave Shareholders should not hand over project control by accepting Westgold's Offer.

Musgrave Shareholders should not hand over project control by accepting Westgold's Offer.

1.5 By accepting the Westgold Offer, Musgrave Shareholders need to be satisfied the Westgold Offer price adequately reflects and incorporates the respective contributions to the combined group from both companies. The Westgold Offer is highly conditional

⁴ Westgold ASX Announcement – 6 June 2023

⁵ Money of Mine Podcast, "Westgold Bids for Musgrave, Wayne Reveals the Plan | Daily Show" – 6 June 2023

and uncertain and if you accept the Westgold Offer you will be unable to accept into the superior Ramelius Offer

The Westgold Offer is subject to several conditions, a number of which Musgrave is already in breach of through no fault of its own by conducting its business in the ordinary course, which makes it uncertain whether the Westgold Offer will become unconditional.

These conditions include a 50.1% minimum acceptance which is entirely beyond Musgrave's control. There are also conditions which are defined as 'Musgrave Regulated Events' in the Bidder's Statement which place unreasonable restrictions on the conduct of Musgrave's business. These restrictions among other things include the appointment of any new advisers and a requirement that the consolidated cash balance of Musgrave not fall below \$10 million.

As previously announced in Musgrave's Quarterly Activities and Cashflow Report, Musgrave had a cash balance of \$11.8M as at 31 March 2023 and outlined expenditure commitments for the coming quarter of \$2.7M. Accordingly, at the date of the Bidder's Statement Musgrave already had a consolidated cash balance of less than \$10 million. In addition, Musgrave is also incurring liabilities over \$100,000 per month (including approximately \$400,000 per month for a drilling contract) and capital expenditures of over \$100,000 (including payments of \$600,000 and \$150,000 due in approximately 6 to 9 months). Prior to the start of June, Musgrave as part of its annual review of employees has also agreed to pay certain bonus and retention payments to employees of in aggregate approximately \$40,000. Musgrave has also engaged advisers to advise the company in relation to the Westgold Offer. All of these matters which Musgrave has conducted in the ordinary course of business are events which trigger 'Musgrave Regulated Events'.

If you accept the Westgold Offer while it is still conditional, there will be no certainty that the Westgold Offer will proceed, but you will be unable to sell your Musgrave Shares on market.

Additionally, you will be unable to participate in the superior Ramelius Offer or in any other alternative superior proposal, if one arises.

1.6 Musgrave Shareholders may face adverse tax consequence if they accept the Westgold Offer

The Australian tax outcomes for you if you accept the Westgold Offer, will depend on your personal facts and circumstances, and we encourage you to consult with your professional taxation advisors in relation to the Westgold Offer.

The Westgold Offer contemplates consideration in the form of scrip. Where scrip consideration is received, eligibility for scrip-for-scrip roll-over relief is important to ensure that you do not have a tax liability.

One of the key conditions for the availability of scrip-for-scrip roll-over relief is that the purchaser becomes the owner of 80% or more of the shares in the target. If this condition is not met, no Musgrave Shareholder is eligible to roll-over the capital gain they make on the exchange of their Musgrave Shares for Westgold Shares, with the consequence that there may be a tax liability.

In the present circumstance, your Musgrave Directors have concerns that Westgold may not become the owner of 80% or more of the voting shares in Musgrave as a consequence of the Westgold Offer, in particular having regard to Musgrave's largest shareholder, Westminex Pty Ltd (and associated entities), and the Musgrave Directors having entered into pre-bid acceptance agreements to accept into the Ramelius Offer – see Section 1.1 for further information. If that is the case, the prospect of income tax on any capital gains realised by Musgrave Shareholders on the disposal of their Musgrave Shares for Westgold Shares arises.

If you accept the Westgold Offer while it is still conditional, there will be no certainty that the Westgold Offer will proceed, but you will also be unable to sell your Musgrave Shares on

market and may be unable to participate in the Ramelius Offer or in any other alternative proposal, if one arises.

Your Musgrave Directors urge you not to sell to Westgold in circumstances where, in the opinion of your Musgrave Directors, the Westgold Offer does not reflect the medium and long-term potential upside that Musgrave offers you.

The Musgrave Directors acknowledge that reasons in Sections 1.3, 1.4 and 1.6 above could also apply to the Ramelius Offer. However, the Musgrave Directors have carefully considered the Ramelius Offer against the Westgold Offer and determined that on balance of all the relevant factors and reasons, the Ramelius Offer is superior and recommend that Musgrave Shareholders accept the Ramelius Offer for the reasons outlined in Musgrave's ASX announcements released on 3 July 2023.

2 OVERVIEW

2.1 Summary of the Westgold Offer

Westgold is offering to acquire all of your Musgrave Shares for one (1) Westgold Share for every 5.37 Musgrave Shares held. The Westgold Offer also extends to Musgrave Shares that are issued during the Westgold Offer Period as a result of the exercise of Musgrave Options. The Westgold Offer is subject to various conditions, which are outlined in Section 8.3 of this Target's Statement and Paragraph 8 of Schedule 1 of the Bidder's Statement. Refer to the Bidder's Statement for full particulars of the Westgold Offer.

2.2 Recommendation of the Musgrave Directors

The Musgrave Directors have carefully considered the Westgold Offer and unanimously recommend that Musgrave Shareholders **REJECT** the Westgold Offer.

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

To follow the Musgrave Directors' recommendation that you **REJECT** the Westgold Offer, you should **DO NOTHING**.

2.3 Intentions of the Musgrave Directors

Each Musgrave Director intends to **REJECT** the Westgold Offer in relation to any Musgrave Shares they own or control. Refer to Section 10.2 of this Target's Statement for further details on the Musgrave Directors' interests in Musgrave Shares.

2.4 What to Do Next

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

- (a) **REJECT** the Westgold Offer if you agree with the Musgrave Directors' unanimous recommendation to **REJECT** the Westgold Offer, in which case you should simply **DO NOTHING**;
- (b) accept the superior Ramelius Offer;
- (c) sell some or all of your Musgrave Shares on-market (unless you have already accepted the Westgold Offer); or
- (d) accept the Westgold Offer.

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

2.5 Key Dates

| | |
|---|--------------|
| Announcement Date | 6 June 2023 |
| Lodgement of Bidder's Statement | 9 June 2023 |
| Westgold Offer Opens | 23 June 2023 |
| Lodgement of Target's Statement | 3 July 2023 |
| Date for notice on the status of conditions | 14 July 2023 |

Westgold Offer Closes (unless extended or
withdrawn*)

5:00pm (Perth time) on 24 July 2023

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

3 FREQUENTLY ASKED QUESTIONS

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

| QUESTION | ANSWER | REFERENCE |
|---|--|------------------|
| Who is the bidder? | Westgold Resources Limited. Refer to section 2 of the Bidder's Statement and Section 6 for information on Westgold. | Section 6 |
| Does Westgold already have an interest in Musgrave Shares? | As at the Last Practicable Date, Westgold's Voting Power in Musgrave was 2.48% and Westgold had a Relevant Interest in 14,676,045 Musgrave Shares. | Section 6.3 |
| What is the Westgold Offer for my Musgrave Shares? | <p>Westgold has made an off-market offer to acquire each of your Musgrave Shares for consideration of one (1) Westgold Share for every 5.37 Musgrave Shares held.</p> <p>The Westgold Offer also extends to Musgrave Shares that are issued during the Westgold Offer Period as a result of the exercise of Musgrave Options.</p> <p>If you are a Foreign Shareholder or a Small Parcel Holder, you will not be issued Westgold Shares. Instead, you will be paid by the Nominee the net proceeds of the sale of the Westgold Shares you would have been entitled to. Refer to Section 8.12 for further details.</p> <p>Entitlements to fractions of Westgold Shares will be rounded down.</p> | Section 8.12 |
| What is the Bidder's Statement? | <p>The Bidder's Statement is the document prepared by Westgold which outlines the terms of the Westgold Offer. Westgold lodged its Bidder's Statement with ASIC on 9 June 2023 and has sent it to all Musgrave Shareholders as at the date specified in the Bidder's Statement.</p> <p>If you have not received a copy of the Bidder's Statement or have misplaced it, you are encouraged to call the Westgold Offer information line on 1300 918 437 (from within Australia) or +61 3 9415 4393 (from outside Australia) between 8:30am and 5:00pm (AEST), Monday to Friday.</p> | - |
| What is the Target's Statement? | This Target's Statement is Musgrave's formal response to the Westgold Offer, as required by the Corporations Act. Accordingly, this document has been prepared by Musgrave and contains important information to help you decide whether to accept the Westgold Offer. | - |
| What choices do I have as a | As a Musgrave Shareholder you can either: | Sections 2 and 4 |

| QUESTION | ANSWER | REFERENCE |
|--|--|---------------------|
| <p>Musgrave Shareholder?</p> | <ul style="list-style-type: none"> • REJECT the Westgold Offer if you agree with the Musgrave Directors' unanimous recommendation to REJECT the Westgold Offer, in which case you should simply DO NOTHING; • accept the superior Ramelius Offer; • sell some or all of your Musgrave Shares on-market (unless you have already accepted the Westgold Offer); or • accept the Westgold Offer. <p>There are several implications in relation to each of the above choices. A summary of these implications is set out in Section 2 of this Target's Statement.</p> <p>If you are in any doubt as to what to do, the Musgrave Directors recommend that you consult with your investment, financial, taxation or other professional adviser. Refer to Section 4 of this Target's Statement for further details.</p> | |
| <p>Who is Ramelius and what is the Ramelius Offer</p> | <p>On 3 July 2023, Musgrave announced that it had entered into the Ramelius Bid Implementation Agreement with Ramelius pursuant to which Ramelius offered to acquire 100% of Musgrave Shares for one (1) Ramelius share for every 4.21 Musgrave Shares held and \$0.04 in cash for every Musgrave Share held.</p> <p>The Musgrave Directors consider the Ramelius Offer to be superior to the Westgold Offer.</p> <p>Ramelius Resources Limited is a company incorporated in Australia and listed on the Australian Securities Exchange (ASX) under ASX code RMS. Ramelius is a Western Australian gold producer that has been listed on the ASX since 2003 and in production since 2006. Further information on Ramelius can be found at the Ramelius website at www.rameliusresources.com.au.</p> <p>The Ramelius Offer is one (1) Ramelius share for every 4.21 Musgrave Shares held and \$0.04 in cash for every Musgrave Share held, which as at the Last Practicable Date has an implied price of \$0.34 per Musgrave Share. The Ramelius Offer also provides certainty to Musgrave Shareholders due to the cash component of the consideration.</p> <p>Each Musgrave Director unanimously recommends that Musgrave Shareholders accept the superior Ramelius Offer (in the absence of a Superior Proposal).</p> <p>Each Musgrave Director has agreed to accept all Musgrave Shares they own or control into the Ramelius Offer.</p> <p>Further information on the Ramelius Offer is set out in</p> | <p>Section 10.1</p> |

| QUESTION | ANSWER | REFERENCE |
|--|---|--------------|
| | Section 10.1 of this Target's Statement. Further information in relation the Ramelius Offer will also be provided in a bidder's statement issued by Ramelius and another target's statement issued by Musgrave in relation to the Ramelius Offer. | |
| What are the Musgrave Directors recommending? | <p>The Musgrave Directors unanimously recommend that you REJECT the Westgold Offer. The reasons for the Musgrave Directors' recommendation are detailed in Section 1. If there is a change in this recommendation or any material development in relation to the Westgold Offer, Musgrave will lodge a supplementary target's statement.</p> <p>The Musgrave Directors unanimously recommend that you accept the superior Ramelius Offer (in the absence of a Superior Proposal).</p> | Section 1 |
| What do the Musgrave Directors intend to do with their Musgrave Shares? | <p>Each Musgrave Director intends to REJECT and not accept the Westgold Offer in relation to any Musgrave Shares they own or control. Refer to Section 10.2 for further details on the Musgrave Directors' interests in Musgrave securities.</p> <p>Each Musgrave Director has agreed to accept, or procure the acceptance of, all Musgrave Shares they own or control into the Ramelius Offer by no later than 5 days after the commencement of the Ramelius Offer period, subject to the ability to terminate the agreements if a Superior Proposal arises before 5 days after the commencement of the Ramelius Offer period.</p> | Section 10.2 |
| Why should I reject the Westgold Offer? | <p>The Musgrave Directors consider you should REJECT the Westgold Offer because:</p> <ul style="list-style-type: none"> • The implied Westgold Offer Consideration price is less than that offered under the Ramelius Offer. The Ramelius Offer includes one (1) Ramelius share for every 4.21 Musgrave Shares held and \$0.04 in cash for every Musgrave Share held. • The implied Westgold Offer Consideration price is below the Musgrave Share price.⁶ • The Westgold Offer is opportunistic given Musgrave's potential. • Musgrave delivers immediate growth to Westgold. • The Westgold Offer is highly conditional and uncertain and if you accept into the Westgold Offer you will be unable to accept into the superior Ramelius Offer. • Musgrave Shareholders may face adverse tax consequences if they accept the Westgold Offer. | Section 1 |
| How do I reject | To REJECT the Westgold Offer, simply DO NOTHING . | - |

⁶ As at the Last Practicable Date and as at 27 June 2023. As you are being offered Westgold Shares as consideration for your Musgrave Shares, the implied value of the Westgold Offer will vary with the price at which Westgold Shares trade on the ASX. The premia and implied Westgold Offer price presented in this Target Statement are based on the Westgold Offer Consideration being 1 (one) Westgold Share for every 5.37 of your Musgrave Shares.

| QUESTION | ANSWER | REFERENCE |
|---|--|---|
| the Westgold Offer? | If you wish to REJECT the Westgold Offer, do not respond to any calls or correspondence from or made on behalf of Westgold. | |
| What are the risks of accepting or rejecting the Westgold Offer? | A non-exhaustive list of the key risks in accepting or rejecting the Westgold Offer are set out in Section 7 of this Target's Statement. | Section 7 |
| How do I accept the Westgold Offer? | You should follow the instructions in the Bidder's Statement if you wish to accept the Westgold Offer. | - |
| How long will the Westgold Offer be open for acceptance? | <p>The Westgold Offer is scheduled to close at 5:00pm (Perth time) on 24 July 2023 as specified in the Bidder's Statement, unless it is extended or withdrawn in accordance with the Corporations Act.</p> <p>Refer to Section 8.8 for details of the circumstances in which the Westgold Offer Period can be extended.</p> | <p>Section 8.8</p> <p>Paragraph 2 of Schedule 1 of the Bidder's Statement</p> |
| Can the Westgold Offer be varied? | <p>Westgold may vary the Westgold Offer in any of the ways permitted by the Corporations Act, including by extending the Westgold Offer Period or by increasing the Westgold Offer Consideration, provided the varied terms and conditions are not less favourable to Musgrave Shareholders than the Westgold Offer. If Westgold varies the Westgold Offer in any of those ways, it must give written notice to ASIC and Musgrave and send you a copy of that notice (provided, however, that Westgold will not be required to send you a copy of the notice if, at the time of the variation, you have already accepted the Westgold Offer, the Westgold Offer is unconditional and the variation merely extends the Westgold Offer Period).</p> | Paragraph 1.6 of Schedule 1 of the Bidder's Statement |
| Is the Westgold Offer conditional? | <p>The Westgold Offer is subject to a number of conditions which are detailed in Section 8.3, including the following conditions which remain outstanding:</p> <ul style="list-style-type: none"> • During, or at the end of, the Westgold Offer Period, the number of Musgrave Shares in which Westgold has a Relevant Interest is at least 50.1% of all the Musgrave Shares on a fully diluted basis; • No Musgrave Prescribed Occurrence occurs during the Westgold Offer Period; • No Musgrave Regulated Event occurs between (and including) the Announcement Date and the end of the Westgold Offer Period (inclusive); and • No Musgrave Material Adverse Change occurs between the Announcement Date and the end of the Westgold Offer Period (inclusive). <p>Refer to paragraph 8 of Schedule 1 of the Bidder's Statement and Section 8.3 for further details regarding</p> | <p>Section 8.3</p> <p>Paragraph 8 of Schedule 1 of the Bidder's Statement</p> |

| QUESTION | ANSWER | REFERENCE |
|--|---|--|
| | the Westgold Offer Conditions. | |
| <p>What are the consequences of accepting the Westgold Offer now, while it remains conditional?</p> | <p>If you accept the Westgold Offer, then unless you are able to subsequently withdraw your acceptance, you will:</p> <ul style="list-style-type: none"> • no longer have the same level of exposure to Musgrave's assets and projects; • not be able to sell your Musgrave Shares on-market; • be unable to accept the Ramelius Offer and any other competing offer that emerges; and • give up your right to otherwise deal with your Musgrave Shares. <p>Refer to Sections 7.2 and 8.10 of this Target's Statement for further details.</p> | <p>Sections 7.2 and 8.10</p> |
| <p>If I accept the Westgold Offer now, can I withdraw my acceptance?</p> | <p>You cannot withdraw or revoke your acceptance unless a withdrawal right arises under the Corporations Act. A withdrawal right will arise if, after you have accepted the Westgold Offer, Westgold varies the Westgold Offer in a way that postpones, for more than one month, the time that Westgold has to meet its obligations under the Westgold Offer.</p> <p>Accepting into the Westgold Offer also means that you will be unable to participate in the superior Ramelius Offer or in any other alternative superior proposal, if one arises.</p> | <p>Paragraph 6.1 of Schedule 1 of the Bidder's Statement</p> |
| <p>When will I receive the Westgold Offer Consideration if I accept the Westgold Offer?</p> | <p>If you accept the Westgold Offer and the Westgold Offer is, or becomes, unconditional, you will be provided the Westgold Offer Consideration on the earlier of:</p> <ul style="list-style-type: none"> • one month after you accept the Westgold Offer, or if the Westgold Offer is subject to a defeating condition when you accept the Westgold Offer, within one month after the Westgold Offer becomes unconditional; and • 21 days after the end of the Westgold Offer Period. <p>Foreign Shareholders and Small Parcel Holders will be provided with the net proceeds from the sale of their Westgold Shares to which they are entitled under the Westgold Offer at a different time.</p> <p>Refer to paragraph 7 of Schedule 1 of the Bidder's Statement for further details.</p> | <p>Paragraph 7 of Schedule 1 of the Bidder's Statement</p> |
| <p>What is the offer in respect of Musgrave Options?</p> | <p>Westgold is not making a separate takeover offer to holders of Musgrave Options. However, Musgrave Optionholders whose Musgrave Options are exercised during the Westgold Offer Period will be able to accept the Westgold Offer in respect of the Musgrave Shares</p> | <p>Section 5.2 of the Bidder's Statement</p> |

| QUESTION | ANSWER | REFERENCE |
|---|--|---|
| | <p>they are issued.</p> <p>The vesting of the Musgrave Options may be accelerated upon Westgold acquiring control of Musgrave and the Westgold Offer becoming unconditional. If the Musgrave Options are not exercised accordingly, Westgold intends to seek to acquire or enter into arrangements with the holders of Musgrave Options to effect the transfer or cancellation of those Musgrave Options or to compulsorily acquire them if it becomes entitled to do so under Part 6A.2 of the Corporations Act.</p> <p>Refer to section 5.2 of the Bidder's Statement for more information.</p> | |
| <p>What if I am a Foreign Shareholder or Small Parcel Holder?</p> | <p>Foreign Shareholders and Small Parcel Holders that accept the Westgold Offer will not receive Westgold Shares. Rather, the Westgold Shares that Foreign Shareholders and Small Parcel Holders would have been entitled to receive will be issued to, and sold by, a Nominee and the net proceeds attributable to each Foreign Shareholder or Small Parcel Holder will be paid to them by cheque in Australian dollars drawn on an Australian bank account.</p> <p>Foreign Shareholders and Small Parcel Holders should read section 11.4 of the Bidder's Statement, which provides further information for Foreign Shareholders and Small Parcel Holders about the Nominee sale process. Westgold's determination as to whether a Musgrave Shareholder is a Foreign Shareholder or Small Parcel Holder is final.</p> <p>Depending on the Foreign Shareholder's particular circumstances, a portion of the Westgold Offer Consideration may be withheld by Westgold and paid to the Commissioner of Taxation on account of foreign resident capital gains withholding tax.</p> | <p>Section 8.12 and section 11.4 of the Bidder's Statement</p> |
| <p>Will I pay stamp duty or brokerage if I accept the Westgold Offer?</p> | <p>No Brokerage or stamp duty will be payable by you in respect of your acceptance of the Westgold Offer.</p> <p>If your Musgrave Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Musgrave Shares are registered in the name of a broker, bank custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Westgold Offer.</p> | <p>Paragraphs 10 and 11 of Schedule 1 of the Bidder's Statement</p> |
| <p>What are the consequences of the Westgold Offer becoming unconditional?</p> | <p>If you accept the Westgold Offer and the Westgold Offer becomes unconditional, you will be entitled to receive one (1) Westgold Share for every 5.37 Musgrave Shares you hold.</p> | <p>Paragraph 6 of Schedule 1 of the Bidder's Statement</p> |

| QUESTION | ANSWER | REFERENCE |
|--|--|---|
| <p>What happens if I do nothing?</p> | <p>You will remain a Musgrave Shareholder.</p> <p>If Westgold acquires a Relevant Interest in 90% or more of Musgrave Shares and the Westgold Offer becomes unconditional, Westgold intends to compulsorily acquire the remaining Musgrave Shares.</p> <p>If Westgold acquires a Relevant Interest in at least 50.1% but less than and 90% of Musgrave Shares and the Westgold Offer becomes unconditional, you will remain a minority shareholder and Musgrave will then be controlled by Westgold.</p> <p>Refer to section 6 of the Bidder's Statement for details in relation to Westgold's intentions in relation to Musgrave.</p> | <p>Section 6 of the Bidder's Statement</p> |
| <p>What if I want to sell my Musgrave Shares on ASX?</p> | <p>During the Westgold Offer Period, you may sell some or all of your Musgrave Shares on ASX for cash provided you have not accepted the Westgold Offer. Before doing so, you should consider the implications of this course of action, including that you would not receive the benefit of any increase in the Westgold Offer Consideration that may emerge. You will also forfeit the ability to accept any superior proposal that may emerge. If you sell your Musgrave Shares on ASX, you may incur a brokerage charge.</p> <p>It is important to note that if you accept the Westgold Offer now, unless withdrawal rights are available (see below), you will give up your right to sell your Musgrave Shares or otherwise deal with your Musgrave Shares while the Westgold Offer remains open.</p> | <p>-</p> |
| <p>Can I be forced to sell my Musgrave Shares?</p> | <p>You cannot be forced to sell your Musgrave Shares unless Westgold acquires a Relevant Interest in at least 90% of all the Musgrave Shares during, or at the end of the Westgold Offer Period, becomes eligible to compulsorily acquire your Musgrave Shares and proceeds with that compulsory acquisition. If Westgold proceeds to compulsory acquisition, you will be provided the last Westgold Offer Consideration offered by Westgold for the Musgrave Shares before the end of the Westgold Offer Period.</p> | <p>Section 8.13 and section 6 of the Bidder's Statement</p> |
| <p>Does this Target's Statement contain an independent expert's report?</p> | <p>No, this Target's Statement does not contain an independent expert's report. An independent expert's report is only required to be included in a target's statement where the bidder's Voting Power in the target is 30% or more, or if a director of the target company is a bidder or a director of the bidder company. This requirement does not apply to the Westgold Offer.</p> <p>In addition, the Musgrave Directors do not consider that an independent expert's report is necessary as the Musgrave Directors consider that the information in this</p> | <p>-</p> |

| QUESTION | ANSWER | REFERENCE |
|--|---|---|
| | Target's Statement, the Bidder's Statement and publicly available information is sufficient for Musgrave Shareholders to determine whether or not to accept the Westgold Offer. | |
| What happens if the Westgold Offer Conditions are not satisfied or waived? | <p>If the Westgold Offer Conditions are not satisfied or waived by the end of the Westgold Offer Period, the Westgold Offer will lapse and acceptances will be void.</p> <p>If the Westgold Offer lapses, you will then be free to deal with your Musgrave Shares even if you had accepted the Westgold Offer.</p> | Paragraph 9.5 of Schedule 1 of the Bidder's Statement |
| What are the tax implications of accepting the Westgold Offer? | <p>Refer to Section 9 in respect to the potential Australian tax implications of the Westgold Offer. Tax implications for accepting the Westgold Offer for your Musgrave Shares will vary for each individual and you are advised to consult your financial, tax or other professional adviser on the tax implications of acceptance.</p> <p>You should not rely on that general outline as advice on your own affairs. It does not deal with the taxation position of particular Musgrave Shareholders. You should seek your own personal, independent financial and taxation advice before making a decision as to whether or not to accept the Westgold Offer.</p> | Section 9 |
| Is there a number I can call if I have further queries in relation to the Westgold Offer? | Westgold has established an offer information line to assist Musgrave Shareholders with queries about the Bidder's Statement or how to accept the Westgold Offer. If you have any queries, you can call the offer information line on 1300 918 437 (from within Australia) or +61 3 9415 4393 (from outside Australia) between 8:30am and 5:00pm (AEST), Monday to Friday. | - |

4 YOUR CHOICES AS A MUSGRAVE SHAREHOLDER

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

4.1 REJECT the Westgold Offer and DO NOTHING

If you do not wish to accept the Westgold Offer or sell your Musgrave Shares on-market, you can choose to **DO NOTHING**. This is the recommendation of your Musgrave Directors.

If you choose to **REJECT** the Westgold Offer, do not take any action in relation to documents sent to you by Westgold. By doing nothing you will continue to remain a Musgrave Shareholder. Musgrave Shareholders should note that if Westgold acquires at least 90% of Musgrave Shares during or at the end of the Westgold Offer Period, Westgold will be entitled to compulsorily acquire the Musgrave Shares it does not already own (refer to Section 8.13 of this Target's Statement for more details). Musgrave Shareholders should also note that there are risks associated with remaining a Musgrave Shareholder (see Section 7.3 of this Target's Statement for more details).

4.2 Accept the superior Ramelius Offer

You can accept into the superior Ramelius Offer by taking no action in relation to the Westgold Offer and accept into the Ramelius Offer upon release of the Ramelius bidder's statement.

The Musgrave Directors unanimously recommend that you accept the Ramelius Offer (in the absence of a Superior Proposal). Full details of the Ramelius Offer will be released in the Ramelius bidder's statement and Musgrave's response to the Ramelius Offer will be included in the Musgrave target's statement to the Ramelius Offer.

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

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

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

4.4 Accept the Westgold Offer

Although the Musgrave Directors unanimously recommend that Musgrave Shareholders **REJECT** the Westgold Offer, Musgrave Shareholders should consider their individual circumstances in determining whether or not to accept the Westgold Offer.

To accept the Westgold Offer, follow the instructions detailed in paragraph 4 of Schedule 1 of the Bidder's Statement and on the acceptance form accompanying the Bidder's Statement. Details of the consideration you will receive are outlined in Section 8.1 of this Target's Statement and in section 8 of the Bidder's Statement. You will only receive the Westgold Offer Consideration if the Westgold Offer Conditions are either satisfied or waived. The Westgold Offer is subject to a number of conditions. Refer to paragraph 8 of Schedule 1 of the Bidder's Statement for full details of the conditions of the Westgold Offer.

The consequences of accepting the Westgold Offer are discussed in Section 8.10 and in paragraph 6 of Schedule 1 of the Bidder's Statement. If you accept the Westgold Offer, you

will not be able to sell your Musgrave Shares on market unless you have the right to withdraw your acceptance and you have exercised that right. The circumstances in which acceptances of the Westgold Offer may be withdrawn are detailed in paragraph 1.6 of Schedule 1 of the Bidder's Statement.

If you accept the Westgold Offer, you may be liable for capital gains tax or income taxes as a result of your acceptance. An overview of the taxation consequences for Musgrave Shareholders of accepting the Westgold Offer is provided in Section 9. Musgrave encourages you to consider your personal risk profile, investment strategy, tax position and financial circumstances before making any decision in relation to your Musgrave Shares.

5 INFORMATION ABOUT MUSGRAVE

5.1 Overview of Musgrave

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

Musgrave is a 'disclosing entity' for the purposes of the Corporations Act and is therefore subject to regular reporting obligations under the Corporations Act and the Listing Rules. See Section 5.13 for further information.

5.2 The Musgrave Directors

The Musgrave Directors are:

- (a) **Graham Ascough (Non-Executive Chairman):** Graham Ascough is a senior resources executive with more than 30 years of industry experience evaluating mineral projects and resources in Australia and overseas. He has had broad industry involvement ranging from playing a leading role in setting the strategic direction for significant country-wide exploration programs to working directly with mining and exploration companies.

Mr Ascough is a geophysicist and was the Managing Director of ASX listed Mithril Resources Ltd from October 2006 until June 2012. Prior to joining Mithril in 2006, Mr Ascough was the Australian Manager of Nickel and PGM Exploration at the major Canadian resources house, Falconbridge Ltd (acquired by Xtrata Plc in 2006).

He is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a Professional Geoscientist of Ontario, Canada.

Mr Ascough is also a director of PNX Metals Limited, Sunstone Metals Ltd and Black Canyon Ltd.

- (b) **Robert Waugh (Managing Director):** Robert Waugh has over 30 years of experience in the resources sector and has been involved in new mineral discoveries across multiple commodities over his career including the Nebo-Babel nickel-copper discoveries in the West Musgrave, uranium discoveries in Queensland, gold at Norseman and more recently the new gold discoveries on the Cue Gold Project in Western Australia.

Mr Waugh has held senior exploration management roles in a number of companies including Western Mining Corporation (WMC Resources Ltd) and BHP Billiton Exploration Ltd and has extensive exploration experience across a range of commodities including gold, nickel, copper, uranium and PGM's.

Mr Waugh holds a Bachelor of Science degree majoring in geology from the University of Western Australia and a Master of Science in Mineral Economics from Curtin University and the Western Australian School of Mines. Mr Waugh is a Fellow of the AusIMM and a Member of the Australian Institute of Geoscientists.

- (c) **Kelly Ross (Non-Executive Director):** Kelly Ross is a qualified accountant holding a Bachelor of Business (Accounting) and has the designation CPA from the Australian Society of Certified Practising Accountants. Ms Ross is a Chartered Secretary with over 30 years experience in accounting and administration in the mining industry.

Ms Ross was part of the team that floated Independence Group NL (ASX:IGO). IGO listed on the ASX in 2002 and Ms Ross was Company Secretary and CFO for 10 years. Ms Ross was a Director of IGO for 12 years from 2002 to 2014. Ms Ross retired from the Board of IGO on 24 December 2014.

Prior to IGO, Ms Ross was a senior accountant at Resolute Ltd from 1987 to 2000 during which time Resolute became a gold producer in Ghana, Tanzania and at several mines in Western Australia.

- (d) **John Percival (Non-Executive Director):** John Percival has been involved in investment and merchant banking for over 25 years including 15 years as Investment Manager of Barclays Bank New Zealand Ltd. In addition, he has extensive experience in stockbroking, corporate finance and investment management. In 1995 Mr Percival was appointed to the Board of Goldsearch Limited and was an Executive Director from 2000 to 2014.
- (e) **Brett Lambert (Non-Executive Director):** Brett Lambert is a mining engineer and experienced company director. He has over 35 years involvement in the Australian and international resources industry encompassing mining operations, project development, business development and corporate administration.

Mr Lambert is a graduate of the Western Australian School of Mines and commenced his professional career with Western Mining Corporation (WMC) in 1983. He was a member of the senior management team at WMC's Mt Magnet gold operations that initiated the transition to large scale open pit mining and construction of the current Checker processing plant.

Post WMC, Mr Lambert held executive roles with a number of junior and mid-tier resource companies where his responsibilities included overseeing several resource projects through feasibility study, development and commissioning.

Mr Lambert has served as a director of companies listed on the Australian Securities Exchange, London's AIM market, the Toronto Stock Exchange and the Stock Exchange of Thailand.

Mr Lambert is currently a director of ASX listed Mincor Resources NL, Metal Hawk Limited and Saturn Metals Limited.

5.3 Main Business Activities

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

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

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

5.4 Major Projects

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

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

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

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

Further development studies aim to add mine life through the extension and conversion of existing Inferred Mineral Resources to the higher confidence Indicated Mineral Resource category, together with the potential inclusion of newly discovered resources. The Musgrave team has been very successful in defining new targets, making new discoveries and growing the resource base. The Cue Gold Project has significant upside growth potential with recent discoveries like Amarillo and Waratah having the potential to add to the resource base in 2023.

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

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

5.5 Musgrave's other activities and assets

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

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

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

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

5.6 Historical financial information

(a) Basis of preparation

Musgrave released its annual financial report for the financial year ended 30 June 2022 on 7 October 2022, its annual financial report for the financial year ended 30 June 2021 on 15 October 2021 and its half year accounts for the half year ended 31 December 2022 on 10 March 2023. An electronic copy of these reports can be

obtained from Musgrave's website (www.musgraveminerals.com.au) or from the ASX website (www.asx.com.au).

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

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

(b) **Consolidated Statement of Financial Position**

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

| | 31 Dec 2022 | 30 Jun 2022 | 30 Jun 2021 |
|--------------------------------------|------------------------|------------------------|------------------------|
| | \$ | \$ | \$ |
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 14,608,326 | 10,636,210 | 20,910,936 |
| Trade and other receivables | 260,591 | 337,157 | 322,014 |
| Other current assets | 19,865 | 16,649 | 12,951 |
| Total Current Assets | 14,888,782 | 10,990,016 | 21,245,901 |
| Non-Current Assets | | | |
| Financial assets | 637,419 | 743,963 | 1,577,188 |
| Property, plant and equipment | 531,581 | 565,382 | 373,969 |
| Right of use assets | 26,339 | 69,726 | 103,393 |
| Exploration and evaluation | 41,207,199 | 36,538,037 | 26,009,600 |
| Total Non-Current Assets | 42,402,538 | 37,917,108 | 28,064,150 |
| TOTAL ASSETS | 57,291,320 | 48,907,124 | 49,310,051 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | 1,115,736 | 1,913,459 | 971,325 |
| Provisions | 259,160 | 254,204 | 202,590 |
| Lease liabilities | 22,883 | 62,489 | 75,124 |
| Total Current Liabilities | 1,397,779 | 2,230,152 | 1,249,039 |
| Non-Current Liabilities | | | |
| Lease liabilities | - | 10,750 | 38,813 |
| Total Non-Current Liabilities | - | 10,750 | 38,813 |
| TOTAL LIABILITIES | 1,397,779 | 2,240,902 | 1,287,852 |
| NET ASSETS | 55,893,541 | 46,666,222 | 48,022,199 |
| EQUITY | | | |
| Contributed equity | 83,369,641 | 73,438,246 | 72,739,946 |
| Reserves | 2,180,887 | 1,866,390 | 2,581,338 |
| Accumulated losses | (29,656,987) | (28,638,414) | (27,299,085) |

TOTAL EQUITY

| | | |
|-------------------|-------------------|-------------------|
| 55,893,541 | 46,666,222 | 48,022,199 |
|-------------------|-------------------|-------------------|

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

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

| | 31 Dec 2022 | 30 Jun 2022 | 30 Jun 2021 |
|---|------------------------|------------------------|------------------------|
| | \$ | \$ | \$ |
| Revenue from continuing operations | 71,980 | 57,407 | 63,010 |
| Other income | | 323,442 | 274,226 |
| Employee benefits expense | (816,102) | (1,216,465) | (2,594,400) |
| Depreciation expense | (89,317) | (163,642) | (132,783) |
| Impairment expense | - | - | - |
| Finance costs | (2,554) | (10,420) | (22,570) |
| Other expenses | (184,945) | (573,049) | (468,780) |
| Profit / (loss) from continuing operations before income tax | (1,020,938) | (1,582,727) | (2,881,297) |
| Income tax benefit | - | - | - |
| Profit / (loss) after income tax for the year attributable to the owners of Musgrave Minerals Limited | (1,020,938) | (1,582,727) | (2,881,297) |
| Other comprehensive income / (loss) | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Change in fair value of financial assets at fair value through OCI | (106,544) | (833,225) | (369,125) |
| Other comprehensive income / (loss) for the year (net of tax) | (106,544) | (833,225) | (369,125) |
| Total comprehensive profit / (loss) for the year attributable to the owners of Musgrave Minerals Limited | (1,127,482) | (2,415,952) | (3,250,422) |

(d) Consolidated statement of cash flows

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

| 31 Dec 2022 | 30 Jun 2022 | 30 Jun 2021 |
|------------------------|------------------------|------------------------|
| \$ | \$ | \$ |

CASH FLOWS FROM OPERATING ACTIVITIES

| | | | |
|---|-----------|-------------|-------------|
| Joint venture management fees | - | 320,442 | 254,941 |
| Payments to suppliers and employees | (755,718) | (1,557,549) | (1,220,333) |
| Interest received | 68,766 | 55,709 | 60,533 |
| Interest paid | (2,554) | (10,420) | (22,570) |
| Government grants received | - | - | 79,500 |
| Net advances from joint venture partner | | | |
| | (14,099) | (29,767) | (57,925) |

NET CASH FLOWS USED IN OPERATING ACTIVITIES

(703,605) (1,221,585) (905,854)

CASH FLOWS USED IN INVESTING ACTIVITIES

| | | | |
|--|-------------|-------------|-------------|
| Payments for property, plant and equipment | (12,129) | (274,340) | (357,568) |
| Payments for tenements | - | (100,000) | (100,000) |
| Payments for exploration activities | (5,129,697) | (9,096,329) | (6,887,065) |

CASH FLOWS USED IN INVESTING ACTIVITIES

(5,141,826) (9,470,669) (7,344,633)

CASH FLOWS FROM FINANCING ACTIVITIES

| | | | |
|-----------------------------------|------------|----------|-------------|
| Proceeds from issue of shares | 10,117,000 | - | 19,523,039 |
| Proceeds from exercise of options | 360,525 | 503,625 | 1,652,383 |
| Share issue costs | (616,407) | (5,136) | (1,046,951) |
| Lease principal repayments | (43,571) | (80,961) | (89,740) |

NET CASH FLOWS FROM FINANCING ACTIVITIES

9,817,547 417,528 20,038,731

| | | | |
|--|------------|--------------|------------|
| Net increase/(decrease) in cash and cash equivalents | 3,972,116 | (10,274,726) | 11,788,244 |
| Cash and cash equivalents at beginning of the year | 10,636,210 | 20,910,936 | 9,122,692 |

CASH AND CASH EQUIVALENTS AT END OF THE YEAR

14,608,326 10,636,210 20,910,936

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

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

5.8 Recent Musgrave Share price history

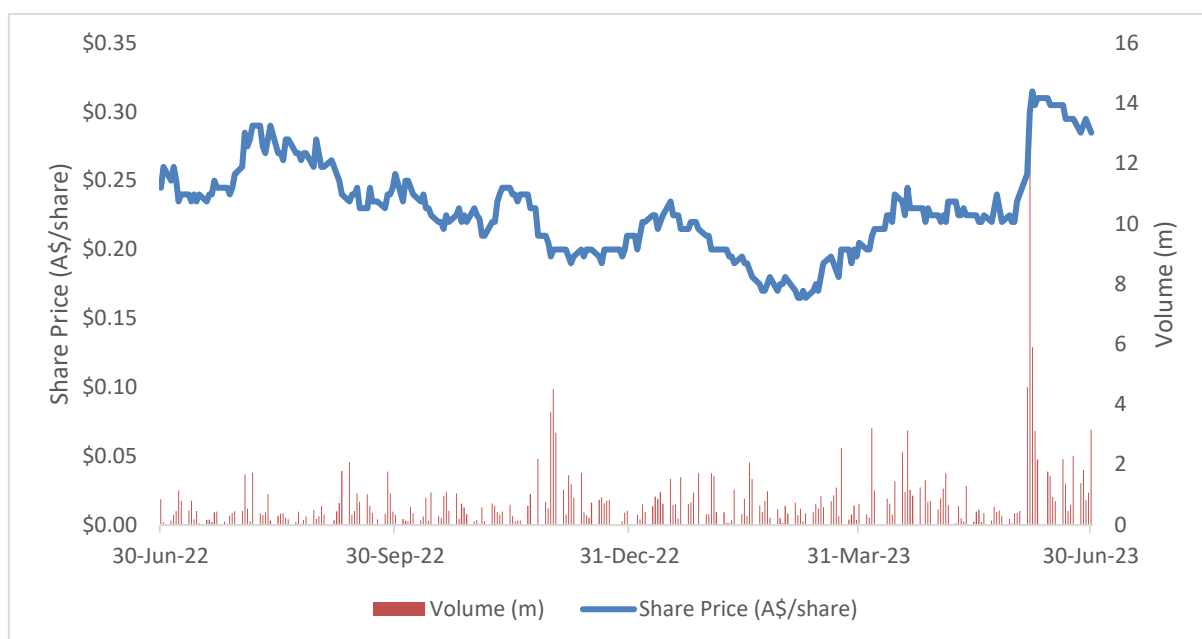
At the Last Practicable Date:

- (a) the last recorded traded price of Musgrave Shares was \$0.285;

- (b) the 30 trading day VWAP of Musgrave Shares was \$0.291;
- (c) the 60 trading day VWAP of Musgrave Shares was \$0.271;
- (d) the 90 trading day VWAP of Musgrave Shares was \$0.255;
- (e) the highest recorded traded price of Musgrave Shares in the previous 3 months was \$0.325 on 8 June 2023; and
- (f) the lowest recorded traded price of Musgrave Shares in the previous 3 months was \$0.195 on 4 April 2023.

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

Musgrave Share price – past 12 months



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

5.9 Musgrave issued securities

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

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

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

| | | |
|-----------|---------|-----------------|
| 9,400,000 | \$0.335 | 5 November 2025 |
|-----------|---------|-----------------|

5.10 Musgrave Options

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

5.11 Dividend Policy

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

5.12 Litigation

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

5.13 Publicly available information

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

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

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

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

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

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

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

6 INFORMATION ABOUT WESTGOLD

6.1 Disclaimer

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

6.2 Overview of Westgold

Westgold is a public company incorporated in Australia. Westgold was admitted to the official list of ASX on 6 December 2016 (ASX: WGX) and is an Australian gold producer with its key assets in the Murchison region of Western Australia. Westgold is the owner-operator of all of its underground mines. Westgold's three processing hubs are Cue and Meekatharra, located in the Murchison region; and Fortnum, located in the Bryah region.

Further details regarding Westgold is set out in section 2 of the Bidder's Statement and are available on its website www.westgold.com.au.

Westgold does not have representation on the Musgrave Board.

6.3 Westgold's interest in Musgrave

As at the Last Practicable Date, Westgold's Voting Power in Musgrave was 2.48% and Westgold had a Relevant Interest in 14,676,045 Musgrave Shares.

6.4 Westgold's intentions in respect of Musgrave

Section 6 of the Bidder's Statement sets out Westgold's intentions in respect of the future business and operations of Musgrave (assuming that the Westgold Offer results in Westgold acquiring Musgrave Shares). Musgrave Shareholders should carefully consider these intentions when deciding whether to accept the Westgold Offer (noting that these are statements of current intention only and may change).

7 RISK FACTORS

7.1 Introduction

In considering the Westgold Offer, Musgrave Shareholders should be aware of the risks related to:

- (a) the inability to accept the Ramelius Offer if they accept the Westgold Offer;
- (b) holding Westgold Shares;
- (c) continuing to hold Musgrave Shares;
- (d) general risks relevant to holding Musgrave Shares and/or Westgold Shares; and
- (e) the outcome of the Westgold Offer.

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

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

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

7.2 Risks associated with accepting the Westgold Offer now

- (a) **You will be unable to accept the superior Ramelius Offer and any other competing offer that emerges**

If you accept the Westgold Offer you will be unable to accept into the Ramelius Offer or any other competing offer that emerges unless you are able to withdraw your acceptance (refer to Section 8.9 of this Target's Statement for further details about the ability to withdraw an acceptance of the Westgold Offer). As at the date of this Target's Statement and apart from the Ramelius Offer, the Musgrave Directors are not aware of any competing offer that is available to be accepted by Musgrave Shareholders. If a competing offer arises, the Musgrave Directors will carefully consider the merits of such offer and advise Musgrave Shareholders of whether the competing offer affects their recommendation in this Target's Statement.

While the Musgrave Directors unanimously recommend Musgrave Shareholders accept the Ramelius Offer (in the absence of a Superior Proposal) instead of the Westgold Offer, given the Westgold Offer is currently scheduled to close on 24 July 2023 (unless extended or withdrawn) and the Ramelius Offer has not yet been made or opened for acceptance, it is likely that the Westgold Offer (unless extended) will close before the Ramelius Offer which may still be subject to conditions.

Accordingly, there may arise a circumstance whereby the Westgold Offer is set to close and the Ramelius Offer remains open and subject to conditions. Based on the information available to the Musgrave Board as at the date of this Target's Statement, the Musgrave Directors have no reason to believe that the conditions of the Ramelius Offer cannot be satisfied within a reasonable period of time.

If the Westgold Offer were to close, and the conditions of the Ramelius Offer were not satisfied or waived (to the extent that they are able to be waived), then in the absence of both the Westgold Offer and the Ramelius Offer the Musgrave Share price may decline. The risks associated with the Ramelius Offer will be outlined by Musgrave in its target's statement for the Ramelius Offer.

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

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

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

Musgrave Shareholders should refer to sections 9.3 and 9.5 of the Bidder's Statement for information on the specific risks of an investment in Westgold. You will also cease to have a right to influence the future direction of Musgrave through your voting rights as a Musgrave Shareholder.

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

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

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

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

(e) Taxation consequences of accepting the Westgold Offer

The taxation consequences of disposing of your Musgrave Shares pursuant to the Westgold Offer depend on a number of factors and your particular circumstances. A general outline of certain Australian tax considerations of such a disposal is set out in Section 9. You should seek your own specific professional tax advice as to the taxation implications applicable to your circumstances.

7.3 Risks associated with rejecting the Westgold Offer and continuing as a Musgrave Shareholder

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

7.4 Risks specific to certain Westgold Offer outcomes

(a) Westgold meets 90% compulsory acquisition threshold

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

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

(b) Westgold obtains controlling interest in Musgrave

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

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

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

7.5 Risks specific to the Westgold Offer

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

Musgrave Shareholders are being offered a specified number of Westgold Shares (being one (1) Westgold Share for every 5.37 Musgrave Shares held), rather than cash or a number of Westgold Shares with a specified market value.

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

Refer to Section 1.2 for further details.

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

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

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

(b) **Integration risks**

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

7.6 Risks specific to an investment in Musgrave

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

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

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

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

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

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

(b) **Funding Risks**

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

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

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

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

(c) Dilution

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

(d) Infectious Disease and COVID-19 Risks

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

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

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

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

(e) **Access Risks**

It is also possible that, in relation to tenements which Musgrave has an interest in or will in the future acquire such an interest, there may be areas over which legitimate rights of Traditional owners or surface rights holders exist. In this case, the ability of Musgrave to gain access to tenements (through obtaining consent of any relevant traditional owner, body, group or landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. Musgrave's mineral titles may also be subject to access by third parties including, but not limited to Traditional owners. This access could potentially impact Musgrave's activities and/or may involve payment of compensation to parties whose existing access to the land may be affected by Musgrave's activities.

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

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

(f) **Personnel and Labour Risks**

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

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

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

(g) **Tax Law and Application**

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

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

(h) **Accounting Standards**

Australian Accounting Standards (**AAS**) are adopted by the Australian Accounting Standards Board (**AASB**) and are not within the control of Musgrave and Musgrave's Directors. The AASB may, from time to time, introduce new or refined AAS, which may affect the future measurement and recognition of key statement of profit or loss and statement of financial position items. There is also a risk that interpretation of existing AAS, including those relating to the measurement and recognition of key statement of profit or loss or statement of financial position items may differ. Any changes to the AAS or to the interpretation of those standards may have an adverse effect on the reported financial performance and position of Musgrave.

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

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

(j) **Metallurgical Recovery**

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

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

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

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

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

Climate change is a risk that Musgrave has considered. The climate change risks particularly attributable to Musgrave include the emergence of new or expanded regulations associated with the transitioning to a lower carbon economy and market changes related to climate change mitigation. Musgrave may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental

damage. Climate change may cause certain physical and environmental risks that cannot be predicted by Musgrave, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which Musgrave operates.

(l) **Return Risks**

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

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

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

(n) **Third Party Risks**

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

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

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

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

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

The success of Musgrave depends, among other things, on successful exploration, feasibility of projects, securing and maintaining title to tenements and consents, successful design, construction, commissioning and operating of mining and processing facilities, successful development and production in accordance with

forecasts and successful management of the operations. Exploration and mining activities may also be hampered by force majeure circumstances, land claims and unforeseen mining problems.

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

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

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

(p) **Mineral Resource Estimation Risks**

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

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

(q) **Future Development Risks**

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

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

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

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

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

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

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

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

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

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

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

A serious site health and safety incident may result in significant interruptions and delays in Musgrave's projects and may also expose Musgrave to significant penalties and/or compensation liability. These liabilities may not be covered by Musgrave's insurance policies or, if they are covered, may exceed Musgrave's policy limits or be

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

(t) **Regulatory Risks**

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

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

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

7.7 Risks specific to an investment in Westgold

By accepting the Westgold Offer, Musgrave Shareholders (other than Foreign Shareholders and Small Parcel Holders) will receive Westgold Shares as consideration. For information in respect to the risks associated with holding shares in Westgold, please refer to sections 9.3 and 9.5 of the Bidder's Statement.

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

(a) **Global economic conditions**

Musgrave's and Westgold's funding position, financial performance and ability to execute its strategy is impacted by a variety of general global economic, political, social and business conditions. In addition to commodity prices and currency fluctuations, factors that have the potential to impact Musgrave's and Westgold's business include inflation, interest rates and other general economic factors. Deterioration in any of these conditions could have an adverse impact on Musgrave and Westgold.

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

(b) Force Majeure Risks

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

(c) Share market risks

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

(d) Tax risks

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

(e) Liquidity of Shares

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

(f) Adverse changes to government policy and laws

Changes in relevant laws, interest rates, other legal, legislative and administrative regimes, and government policies, may have an adverse effect on the financial position and operations of Musgrave and Westgold and ultimately Musgrave's and

Westgold's financial performance. These factors may ultimately affect the market price of Musgrave Shares and Westgold Shares.

8 KEY FEATURES OF THE WESTGOLD OFFER

8.1 Westgold Offer Consideration

The consideration being offered by Westgold is one (1) Westgold Share for every 5.37 Musgrave Shares held.

8.2 Westgold Offer Period

The Westgold Offer is currently open for acceptance and will close at 5:00pm (Perth time) on 28 July 2023, unless extended or withdrawn in accordance with the Corporations Act.

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

8.3 Westgold Offer Conditions

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

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

(a) **Minimum Acceptance**

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

(b) **No Musgrave Prescribed Occurrence prior to the Westgold Offer Period**

No Musgrave Prescribed Occurrence occurs between the Announcement Date and the commencement of the Westgold Offer Period (inclusive).

(c) **No Musgrave Prescribed Occurrence during the Westgold Offer Period**

No Musgrave Prescribed Occurrence occurs during the Westgold Offer Period.

(d) **No Musgrave Regulated Event**

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

(e) **No Musgrave Material Adverse Change**

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

(f) **Minimum Bid Price**

No requirement arises under section 621(3) of the Corporations Act (as modified by *ASIC Corporations (Minimum Bid Price) Instrument 2015/1068*) to increase the Westgold Offer Consideration as a result of a fall in the value of a Westgold Share after the Announcement Date.

The Westgold Offer Conditions detailed in Sections 8.3(b) and 8.3(f) (above) were waived by Westgold on 26 June 2023. Refer to Westgold's ASX announcement titled 'First Supplementary Bidder's Statement' as released on 26 June 2023 for further details (**First Supplementary Bidder's Statement**).

Musgrave advises that in its view the Musgrave Regulated Events prevent Musgrave from operating its business in the ordinary course and are overly restrictive. A number of Musgrave Regulated Events have already been triggered through no fault of Musgrave in the course of it conducting its business in the ordinary course. See Section 1.5 for further details of the Musgrave Regulated Events which have already been triggered.

Westgold has undertaken in its First Supplementary Bidder's Statement to notify its intended treatment of any disclosed breach of the Westgold Offer Conditions on or before the earlier of:

- (a) five Business Days after lodgement of this Target's Statement; and
- (b) the date set under section 630(1) of the Corporations Act, being 14 July 2023 (subject to extension in accordance with section 630(2) of the Corporations Act if the Westgold Offer Period is extended).

8.4 Nature and benefit of Westgold Offer Conditions

- (a) The Westgold Offer Conditions are conditions subsequent. The non-fulfilment of any Westgold Offer Condition does not, until the end of the Westgold Offer Period, prevent a contract to sell Musgrave Shares (which have been accepted into the Westgold Offer) from arising, but entitles Westgold by written notice, to rescind the contract resulting from acceptance of the Westgold Offer.
- (b) Subject to the Corporations Act, Westgold alone is entitled to the benefit of the Westgold Offer Conditions, or to rely on any non-fulfilment of any of them.
- (c) Each Westgold Offer Condition is a separate, several and distinct condition. No condition will be taken to limit the meaning or effect of any other condition.

8.5 Status of Westgold Offer Conditions

Section 11.1 of the Bidder's Statement states that Westgold will give the notice on the status of the Westgold Offer Conditions on 14 July 2023 (subject to extension in accordance with the Corporations Act if the Westgold Offer Period is extended). Westgold is required to detail in the notice:

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

8.6 Lapse of Westgold Offer

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

8.7 Variation of the Westgold Offer

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

8.8 Extension of Westgold Offer Period

Westgold may extend the Westgold Offer Period at any time before giving the notice on the status of the Westgold Offer Conditions (refer to Section 8.5 above) while the Westgold Offer

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

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

8.9 Withdrawal of Westgold Offer

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

8.10 Effect of acceptance

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

In particular, you will be unable to accept into the superior Ramelius Offer which is unanimously recommended by the Musgrave Directors (in the absence of a Superior Proposal).

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

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

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

The effect of acceptance of the Westgold Offer is further detailed in paragraph 6 of Schedule 1 of the Bidder's Statement. You should read those provisions in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your Musgrave Shares and the representations and warranties that you are deemed to give to Westgold by accepting the Westgold Offer.

8.11 When you will receive the Westgold Offer Consideration

In summary, subject to paragraph 7 of Schedule 1 of the Bidder's Statement and the Corporations Act, Westgold will provide the consideration due to you for your Musgrave Shares on or before the earlier of:

- (a) one month after the date on which you validly accept the Westgold Offer in respect of your Musgrave Shares or, within one month after the Westgold Offer is declared or becomes unconditional; and

- (b) 21 days after the end of the Westgold Offer Period.

Refer to paragraph 7 of Schedule 1 of the Bidder's Statement for further details on when you will be provided the Westgold Offer Consideration by Westgold.

8.12 Foreign Shareholders and Small Parcel Holders

For the purposes of the Westgold Offer, a Musgrave Shareholder is considered to be a Foreign Shareholder if their address in the register of members is a place outside of Australia and its external territories, and New Zealand, unless Westgold determines (in its absolute discretion) that it is lawful, not unduly onerous and not unduly impracticable to make the Westgold Offer to that Musgrave Shareholder in the relevant jurisdiction (including those jurisdictions other than Australia) and to issue to that Musgrave Shareholder with Westgold Shares, on the completion of the Westgold Offer and that it is lawful for that Musgrave Shareholder to participate in the Westgold Offer by the law of the relevant jurisdiction (including those jurisdictions other than Australia) (**Foreign Shareholder**).

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

- (a) arrange for the issue to the Nominee of the number of Westgold Shares to which you and all other Foreign Shareholders and Small Parcel Holders would have been entitled. Westgold may issue the Westgold Shares to the Nominee in batches;
- (b) cause the Westgold Shares to be issued for sale by the Nominee on the ASX as soon as practicable and otherwise in the manner, at the price and on such other terms and conditions as are determined by the Nominee; and
- (c) cause the Nominee to pay to you the amount ascertained in accordance with the formula detailed in paragraph 14 of Schedule 1 of the Bidder's Statement.

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

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

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

Refer to sections 11.4 and paragraph 14 of Schedule 2 of the Bidder's Statement for further details.

8.13 Compulsory acquisition

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

If the compulsory acquisition thresholds are met, Westgold will have one month from the end of the Westgold Offer Period within which to give compulsory acquisition notices to Musgrave Shareholders who have not accepted the Westgold Offer, but it may choose to commence compulsory acquisition as soon as the relevant thresholds are satisfied. A Musgrave Shareholder has statutory rights to challenge compulsory acquisition, however this will require the relevant Musgrave Shareholder to establish that the terms of the Westgold Offer do not represent fair value for the Musgrave Shares. Musgrave Shareholders should be aware that, if

their Musgrave Shares are acquired compulsorily, they are not likely to receive any payment until at least one month after the compulsory acquisition notices are sent.

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

9 TAXATION CONSEQUENCES

9.1 Introduction

This section provides an overview of the potential Australian Income Tax, Capital Gains Tax (CGT), Goods and Services Tax (GST) and Stamp Duty consequences that Musgrave Shareholders need to consider when disposing of their Musgrave Shares under the Westgold Offer.

This summary does not apply to Musgrave Shareholders:

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

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

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

9.2 Taxation Consequences of Disposal of Musgrave Shares by Australian Residents

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

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

The CGT event will happen:

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

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

- (a) make a capital gain if the capital proceeds received on the disposal of their Musgrave Shares are more than the tax cost base of those Musgrave Shares. This may be

subject to the application of the CGT scrip for scrip rollover and/or the availability of the CGT discount; or

- (b) make a capital loss if the capital proceeds received on the disposal of their Musgrave Shares are less than the reduced cost base of those Musgrave Shares.

The capital proceeds received by a Musgrave Shareholder that accepts the Westgold Offer (or has their Musgrave Shares compulsorily acquired by Westgold) will be equal to the Westgold Offer price. The cost base of Musgrave Shares in the hands of the Musgrave Shareholders will be broadly the sum of the original amount paid to acquire their Musgrave Shares, any non-deductible incidental costs associated with the acquisition of the Musgrave Shares (such as brokerage or stamp duty) and any non-deductible incidental costs associated with the disposal of the Musgrave Shares to Westgold. The reduced cost base of a Musgrave Share is calculated in a similar, but not identical, manner.

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

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

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

9.3 CGT scrip for scrip rollover

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

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

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

Musgrave Shareholders do not need to inform the Australian Taxation Office, or document their choice to claim CGT scrip for scrip roll-over relief in any particular way, other than to complete their income tax return in a manner consistent with their choice. Based upon the Bidder's Statement we understand that Westgold will not make a choice under subsection 124-795(4) of the Tax Act to deny scrip for scrip roll-over relief (where it would otherwise be available).

Where rollover relief is chosen:

- (a) any capital gain that the Musgrave Shareholder would have otherwise made on disposal of their Musgrave Shares under the Westgold Offer should be disregarded;
- (b) the tax cost base of the Westgold Shares received by a Musgrave Shareholder should equal the tax cost base of the Musgrave Shares disposed. Furthermore, this tax cost base will be allocated on a proportionate basis across the Westgold Shares received and is relevant in determining any future CGT liability on the subsequent disposal of the Westgold Shares; and

- (c) for the purposes of determining whether the CGT discount applies on any subsequent disposal of the Westgold Shares, the date on which a Musgrave Shareholder is deemed to have acquired the Westgold Shares will be the date they acquired their original Musgrave Shares.

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

9.4 CGT Discount

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

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

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

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

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

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

(a) Capital Losses

A capital loss will arise where the capital proceeds received by the Musgrave Shareholders on the disposal of their Musgrave Shares are less than the reduced cost base of those Musgrave Shares. A capital loss may be used to offset any other capital gains made by the Musgrave Shareholders for the relevant year of income or may be carried forward to offset capital gains made in future income years. Specific loss recoupment rules apply to companies to restrict their ability to utilise capital losses in future years in some circumstances. Musgrave Shareholders should seek their own tax advice in relation to the operation of these rules.

(b) Indexation

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

base to include indexation precludes the Musgrave Shareholder from applying the CGT discount.

9.6 Taxation Consequences of Disposal of Musgrave Shares by Foreign Residents

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

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

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

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

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

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

9.7 Foreign Resident Capital Gains Withholding Tax

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

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

Westgold has indicated in the Bidder's Statement that where Westgold considers that it will be required to withhold under these rules, it will contact the relevant Musgrave Shareholder to confirm that withholding is required. In such circumstances, Westgold may request that the relevant Musgrave Shareholders provide a declaration that the Musgrave Shares they are disposing of are not IARPI as at the date of the transaction, in which case the withholding should not apply. Where such a declaration is requested, Westgold should provide a draft declaration to Musgrave Shareholders to complete.

9.8 Stamp Duty

Westgold will pay the stamp duty (if any) payable in Australia on the transfers of Musgrave Shares under the Westgold Offer or on the receipt by Musgrave Shareholders of Westgold Shares as Westgold Offer Consideration.

9.9 GST

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

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

Musgrave Shareholders should seek independent advice in relation to the impact of GST in their individual circumstances.

10 ADDITIONAL INFORMATION

10.1 Ramelius Offer

On 3 July 2023, Musgrave announced that it had entered into the Ramelius Bid Implementation Agreement with Ramelius pursuant to which Ramelius offered to acquire 100% of Musgrave Shares for one (1) Ramelius share for every 4.21 Musgrave Shares held and \$0.04 in cash for every Musgrave Share held. The Ramelius Offer is subject to certain conditions, including but not limited to:

- 50.1% minimum acceptance by Musgrave Shareholders.
- No prescribed occurrences in relation to Musgrave.
- No material adverse change in relation to Musgrave.
- No adverse regulatory event affecting the Offer, Musgrave or its assets.

The Ramelius Bid Implementation Agreement imposes certain “no shop”, “no talk”, no due diligence” and “matching right” exclusivity restrictions on Musgrave and a break fee payable to Ramelius in certain circumstances.

Each Musgrave Director unanimously recommends that Musgrave Shareholders accept the superior Ramelius Offer (in the absence of a Superior Proposal).

The Musgrave Directors consider the Ramelius Offer to be superior to the Westgold Offer.

Please refer to the joint Musgrave and Ramelius announcement released on ASX on 3 July 2023 titled "Ramelius and Musgrave Minerals Bid Implementation Agreement" which contains the Ramelius Bid Implementation Agreement, including the full conditions to the Ramelius Offer.

Please also refer to Musgrave's announcement released on ASX on 3 July 2023 titled "Shareholder Letter – ACCEPT – the Ramelius Takeover Offer" which contains the reasons for the Musgrave Directors recommendation of the Ramelius Offer (in the absence of a Superior Proposal).

Further information in relation to the Ramelius Offer will also be provided in a bidder's statement issued by Ramelius and another target's statement issued by Musgrave in relation to the Ramelius Offer.

10.2 Interests of Musgrave Directors

(a) Musgrave Director Interests

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

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

Musgrave Shareholders should also be aware that all Musgrave Directors have entered into binding pre-bid acceptance agreements in relation to the Musgrave

Shares they own or control to accept, or procure the acceptance of, the Ramelius Offer by no later than 5 days after the commencement of the Ramelius Offer period, subject to the ability to terminate the agreements if a Superior Proposal arises before 5 days after the commencement of the Ramelius Offer period.

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

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

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

The vesting of the Musgrave Options may be accelerated upon Westgold acquiring control of Musgrave and the Westgold Offer becoming unconditional. If the Musgrave Options are not exercised accordingly, Westgold intends to seek to acquire or enter into arrangements with the holders of Musgrave Options to effect the transfer or cancellation of those Musgrave Options or to compulsorily acquire them if it becomes entitled to do so under Part 6A.2 of the Corporations Act.

(b) **Westgold marketable securities**

There are no marketable securities of Westgold controlled or held by, or on behalf of, any Musgrave Director as at the Last Practicable Date prior to the date of this Target's Statement).

(c) **Participation in the Westgold Offer**

Except as detailed in this Section 10.2 or elsewhere in this Target's Statement, all Musgrave Directors will be treated in the same way under the Westgold Offer as all other Musgrave Shareholders.

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

Except as detailed in this Section 10.2 or elsewhere in this Target's Statement, none of the Musgrave Directors have any interests in contracts entered into by Westgold.

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

Except as detailed in this Section 10.2 or elsewhere in this Target's Statement there are no other agreements or arrangements between any Musgrave Director and any other person in connection with or conditional upon the outcome of the Westgold Offer, other than in their capacity as a Musgrave Shareholder or Musgrave Optionholder (as applicable).

Except as detailed in this Section 10.2 or elsewhere in this Target's Statement no Musgrave Director has a material interest in relation to the Westgold Offer other than in their capacity as a Musgrave Shareholder or Musgrave Optionholder (as applicable).

10.3 Agreements or arrangements with Musgrave Directors and executive officers

(a) **Deeds of indemnity, access and insurance**

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

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

(b) Other termination benefits

Except as detailed in this Section 10.3(b) or elsewhere in this Target's Statement, there are no payments or other benefits that are proposed to:

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

10.4 Substantial holders

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

| Musgrave Shareholder | No. of Shares held | % |
|--------------------------------|--------------------|-------|
| Westminex Pty Ltd ¹ | 50,016,159 | 9.31% |
| Jetosea Pty Ltd ² | 16,130,000 | 6.06% |

Notes:

1. The above disclose for Westminex Pty Ltd is based on the Form 604 – Notice of Change of Interests of Substantial Holder lodged by Westminex Pty Ltd on 14 April 2022. Based on the Musgrave Share register as at the Last Practicable Date, it appears that Westminex Pty Ltd (and associated entities) hold 54,539,207 Musgrave Shares (9.2%).
2. The above disclose for Jetosea Pty Ltd is based on the Form 603 – Initial Substantial Holder lodged by Jetosea Pty Ltd on 17 October 2017. Based on the Musgrave Share register as at the Last Practicable Date, it appears that Jetosea Pty Ltd holds 54,201,567 Musgrave Shares (9.17%).

10.5 ASX announcements

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

| Announcement | Date |
|--|------------|
| RMS / MGV: Shareholder Letter – ACCEPT the Ramelius Takeover Offer | 03/07/2023 |
| RMS / MGV: Ramelius and Musgrave Minerals Bid Implementation Agreement | 03/07/2023 |
| RMS / MGV: Presentation Ramelius takeover offer for Musgrave Minerals | 03/07/2023 |
| RMS / MGV: Ramelius makes recommended takeover offer for Musgrave | 03/07/2023 |
| Shareholder Letter - Additional Information | 28/06/2023 |

| Announcement | Date |
|--|------------|
| WGX: First Supplementary Bidder's Statement | 26/06/2023 |
| Letter to Shareholders - REJECT - the Westgold Offer | 26/06/2023 |
| WGX: Offer for Musgrave Now Open and Completion of Despatch | 23/06/2023 |
| Further high-grade drilling results, Cue Gold Project | 13/06/2023 |
| Becoming a substantial holder from WGX | 13/06/2023 |
| TAKE NO ACTION in response to Westgold Bidder Statement | 09/06/2023 |
| WGX: Bidder's Statement | 09/06/2023 |
| Receipt of unsolicited intention to make a takeover offer | 06/06/2023 |
| WGX: Takeover Offer Presentation for Musgrave Minerals | 06/06/2023 |
| WGX: Westgold Announces Takeover Offer for Musgrave | 06/06/2023 |
| High-grade drilling results at Leviticus, Cue Gold Project | 23/05/2023 |
| Sydney Resources Round-Up - Company Presentation | 09/05/2023 |
| Cue Project - Stage 1 PFS 3D interactive model | 05/05/2023 |
| Notification of cessation of securities - MGV | 03/05/2023 |
| Quarterly Activities & Cashflow Report | 28/04/2023 |
| Stage 1 PFS Presentation - Cue Gold Project | 17/04/2023 |
| Stage 1 PFS demonstrates potential value of Cue Gold Project | 17/04/2023 |
| Cue Project - 3D Interactive Model and PFS Update | 24/03/2023 |
| Half Year Accounts | 10/03/2023 |
| Company Presentation - Euroz Hartleys Conference | 08/03/2023 |
| New high-grade lode identified along Break of Day corridor | 23/02/2023 |
| Notification of cessation of securities - MGV | 17/02/2023 |
| Company Presentation - RIU Explorers Conference | 14/02/2023 |
| Amarillo and Big Sky drilling results, Cue Gold Project | 14/02/2023 |
| Quarterly Activities & Cashflow Report | 31/01/2023 |
| Further gold intersections, West Island Cue JV | 24/01/2023 |
| Evolution satisfies earn-in milestone | 12/01/2023 |
| Change of Director's Interest Notice (amended) | 30/12/2022 |
| Change of Director's Interest Notice | 29/12/2022 |
| Application for quotation of securities - MGV | 29/12/2022 |
| Results of Share Purchase Plan | 22/12/2022 |
| Mining Lease grant and strong metallurgical test results | 16/12/2022 |
| Share Purchase Plan Offer Document | 02/12/2022 |
| Cleansing Statement | 02/12/2022 |
| Application for quotation of securities - MGV | 02/12/2022 |

| Announcement | Date |
|---|------------|
| Investor Update Presentation | 25/11/2022 |
| Proposed issue of securities - MGV | 25/11/2022 |
| \$10 Million Capital Raising to Progress Cue Project | 25/11/2022 |
| Trading Halt | 23/11/2022 |
| Encouraging Gold Intercepts Continue at Big Sky | 21/11/2022 |
| Notification regarding unquoted securities - MGV | 14/11/2022 |
| Change of Director's Interest Notice x 5 | 14/11/2022 |
| Notification regarding unquoted securities - MGV | 14/11/2022 |
| Results of Meeting | 08/11/2022 |
| 2022 AGM presentation | 08/11/2022 |
| 2022 Chairman's Address to AGM | 08/11/2022 |
| Terms of Director Options | 08/11/2022 |
| High-grade drilling results continue at White Heat-Mosaic | 07/11/2022 |
| Cleansing Statement | 03/11/2022 |
| Application for quotation of securities - MGV | 03/11/2022 |
| Quarterly Activities & Cashflow Report | 27/10/2022 |
| Gold intersections continue at West Island, Cue JV | 20/10/2022 |
| Proposed issue of securities - MGV | 07/10/2022 |

10.6 Consents

(a) Consents

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

- (i) Thomson Geer as Australian legal advisers to Musgrave;
- (ii) Longreach Capital as financial adviser to Musgrave;
- (iii) Deloitte Tax Services Pty Ltd as tax adviser to Musgrave; and
- (iv) Computershare Investor Services Pty Limited as the Share Registry.

(b) Disclaimer

Each person referred to in Section 10.6(a):

- (i) has not authorised or caused the issue of this Target's Statement;
- (ii) does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based other than as specified in Section 10.6(a); and
- (iii) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for any part of this Target's Statement other than a reference to its name and any

statement which has been included in this Target's Statement with the consent of that person referred to in Section 10.6(a).

(c) **Musgrave Directors**

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

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

(d) **Other**

As permitted by ASIC Class Order 13/521, this Target's Statement contains statements that are made, or based on statements made, in documents lodged with ASIC or ASX (in compliance with the Listing Rules). Pursuant to this Class Order, the consent of persons such statements are attributed to is not required for the inclusion of those statements in this Target's Statement. Refer to Section 5.13.

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

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

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

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

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

10.7 Transaction Expenses

The transaction will result in Musgrave incurring fees and expenses that would not otherwise have arisen. The costs and expenses to Musgrave associated with the transaction, the Westgold Offer (including, without limitation, fees of external professional advisers to Musgrave and costs of printing and dispatch of this Target's Statement) are estimated to be up to \$230,320 in aggregate. There is also a contingency fee payable to Musgrave's financial adviser, Longreach Capital, being approximately \$1.5 million if the Westgold Offer is successful in Westgold acquiring at least 50% of Musgrave Shares.

10.8 Other material information

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

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

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

11 AUTHORISATION

This Target's Statement is dated 3 July 2023 and was approved pursuant to a unanimous resolution passed by the Musgrave Directors.

Signed for and on behalf of Musgrave Minerals Limited.

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

Mr Graham Ascough

Non-Executive Chairman

12 GLOSSARY

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

\$ or AUD means the lawful currency of Australia.

Accounting Standards means:

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

AIC means all in costs.

AISC means all in sustaining costs.

Announcement Date means 6 June 2023, the date on which the Westgold Offer was announced on the ASX announcement platform.

ASIC means the Australian Securities & Investments Commission.

Associate has the meaning detailed in Division 2 Part 1.2 of the Corporations Act.

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

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

Authorisation means:

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

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

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

Bidder's Statement means the bidder's statement dated 9 June 2023 issued by Westgold under Part 6.5 of the Corporations Act relating to the Westgold Offer, as supplemented by the First Supplementary Bidder's Statement.

CGT means capital gains tax.

Combined Group means Westgold and its Subsidiaries, following Westgold acquiring control of Musgrave.

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

- (a) any person or persons other than Ramelius (its nominee or its associates) acquiring:

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

and includes any variations or amendments (or proposed variations or amendments) to the Westgold Offer.

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

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

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

EBITDA means earnings before interest, taxes and depreciation.

Encumbrance means an interest or power:

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

First Supplementary Bidder's Statement means the first bidder's statement dated 26 June 2023 issued by Westgold under Part 6.5 of the Corporations Act relating to the Westgold Offer.

Foreign Shareholder has the meaning given in Section 8.12.

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

GST means goods and service tax.

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

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

IRR means internal rate of return.

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

Key Tenement means E58/507, M58/224, M58/225, M58/366, M58/367, M21/106 and M21/107.

Last Practicable Date means 30 June 2023, being the last practicable date prior to lodgement of this Target's Statement.

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

Material Contract means:

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

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

Musgrave means Musgrave Minerals Limited ACN 143 890 671.

Musgrave Board means the board of directors of Musgrave.

Musgrave Director means a director of Musgrave.

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

Musgrave Group Member any member of the Musgrave Group.

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

- (a) diminishes or could reasonably be expected to diminish:
 - (i) Musgrave's JORC Code compliant Mineral Resources estimate in respect of the Cue gold project by 10% or more from the position publicly disclosed by Musgrave prior to the Announcement Date; or
 - (ii) the consolidated net assets of the Musgrave Group by 3.5% or more (by reference to the consolidated net assets contained in Musgrave's half-year financial report for the half-year ended 31 December 2022);

- (b) have a material effect on the Key Tenements, including the status or terms of (or rights attaching to) the Key Tenements, or the ability of the owner of the Key Tenements to exploit them;
- (c) has or could reasonably be expected to have a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Musgrave Group taken as a whole;

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

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

provided that, in the case of exceptions (e), (g) and (h), such Musgrave Change does not affect Musgrave in a manner that is materially disproportionate to the effect on other companies of a similar size operating in the same industry as Musgrave and, for the avoidance of doubt, in the event Musgrave is affected materially disproportionately by such Musgrave Change, the financial impact of such Musgrave Change will be taken into account for the purposes of this definition only to the extent that the financial impact on Musgrave is in excess of the proportionate financial impact of the Musgrave Change on other companies of a similar size operating in the same industry as Musgrave.

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

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

Musgrave Prescribed Occurrence means any of the following events:

- (a) Musgrave converts all or any of the Musgrave Shares into a larger or smaller number of shares;
- (b) Musgrave or a Subsidiary resolves to reduce its share capital in any way;
- (c) Musgrave or a Subsidiary:

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

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

Musgrave Regulated Event means each of the following events:

- (a) any Musgrave Group member announces, declares or determines to pay any dividend or announces or makes any other distribution (whether in cash or in specie) to its members;
- (b) any Musgrave Group member:
 - (i) acquires or disposes of any shares or other securities in any body corporate or any units in any trust;
 - (ii) acquires substantially all of the assets of any business;
 - (iii) disposes of, or agrees to dispose of or licences, the whole, or a substantial part of its business or property, or
 - (iv) exercises or waives any pre-emptive rights or rights of first or last refusal in respect of any undertaking, entity, asset or business (or such interest in an undertaking, entity, asset or business) held by another person,

the value of which exceeds, or which could reasonably be expected to exceed, \$200,000 (individually) or \$2 million (in aggregate);
- (c) any Musgrave Group member does any of the following in respect of any Key Tenement which the any (*sic*) Musgrave Group member holds or has any right title or interest in:

- (i) relinquishes, sells or disposes of any interest or creates any Encumbrance over any of the Key Tenements;
 - (ii) takes any action or omits to take any action that results in or may reasonably be expected to result in a breach of the terms any of the Key Tenements or any environmental authority relating to any of the Key Tenements; or
 - (iii) takes any action or omits to take any action that results in or may reasonably be expected to result in the surrender of any of the Key Tenements or any environmental authority relating to any of the Key Tenements;
- (d) any Musgrave Group member varies or waives its rights in any materially adverse respect, or terminates, cancels, surrenders, forfeits or allows to lapse or expire (without renewal on terms and conditions that are no less favourable to the Musgrave Group) any material licence, lease or Authorisation (including a Key Tenement) (or a number of licences, leases or Authorisations (including Key Tenements) which, when taken together, are material to the conduct of the business of the Musgrave Group as a whole);
- (e) any Musgrave Group member commencing business activities not already carried out as at the Announcement Date, whether by way of acquisition or otherwise other than in the ordinary course of business;
- (f) any Musgrave Group member enters into, or resolves to enter into, a transaction (including an agreement to forego or extinguish any rights) with any related party of Musgrave (other than a related party which is a Musgrave Group member), as defined in section 228 of the Corporations Act;
- (g) any Musgrave Group member agrees to waive or adversely vary in a material respect any material rights under, or terminate any Material Contract;
- (h) any Musgrave Group member enters into a transaction or arrangement which, if completed, would result in a Third Party entitled to, acquire any legal, beneficial or economic interest in production from the Musgrave Group member's current or future operations or right to sell or market production (other than an agreement with Westgold);
- (i) any Musgrave Group member enters into or agrees to enter into any agreement, contract, lease, joint venture, partnership, farm-in agreement, management agreement, royalty agreement, marketing agreement, off-take agreement or other arrangement or instrument (including a commitment to contribute to exploration, appraisal, development or other costs and expenditure if a call or other demand is made upon it), which:
- (i) materially affects the ability of any Musgrave Group member to freely market its share of the resource from the Key Tenement;
 - (ii) imposes obligations or liabilities on any Musgrave Group member of at least \$1.2 million per annum or \$100,000 per month; or
 - (iii) restricts the ability of any Musgrave Group member or any person who controls Musgrave from engaging in or competing with any business in any place;
- (j) any Musgrave Group member incurs or agrees to incur capital expenditure in excess of \$100,000;
- (k) the consolidated cash balance of the Musgrave Group's falls below \$10 million;
- (l) any Musgrave Group member increasing the aggregate level of its borrowings by any amount or entering into any swap, option, futures contract, forward commitment or other derivative transaction;

- (m) any Musgrave Group member gives any guarantee of, or security for, or financial accommodation, or indemnity in connection with the obligations of any person other than a Musgrave Group member;
- (n) any Musgrave Group member gives or agrees to give any Encumbrance over any of its assets (or an interest in any of its assets), other than liens in the ordinary and usual course of business;
- (o) any Musgrave Group member postpones the payment of trade creditors or accelerates the collection of trade debtors, in each case having regard to the policies applied for such payment and collection in the 12 months prior to the Announcement Date other than in the ordinary course of business;
- (p) any Musgrave Group member agrees to accelerate the rights of any person to receive any benefit under any employee incentive plan, vary any employee incentive plan, grant or issue any new rights under any employee incentive plan or introduce a new employee incentive plan;
- (q) any Musgrave Group member agrees to increase in any material respect the remuneration of, makes or offers to make any bonus payment, retention payment or termination payment to, or otherwise materially change the terms and conditions of employment of any Musgrave Director or any employee of any Musgrave Group member, other than in respect of an annual salary review in the ordinary course of business;
- (r) any Musgrave Group member makes or agrees to make any award or any certified agreement, enterprise agreement, workplace agreement or other collective agreement;
- (s) any Musgrave Group member amends or agrees to amend in any material respect any arrangement with its advisers or enter into arrangements with any new advisers;
- (t) any Musgrave Group member commences, compromises or settles any litigation or similar proceeding for an amount exceeding \$200,000;
- (u) any Musgrave Group member changes its constitution or proposes to pass any resolution of shareholders or any class of shareholders;
- (v) any Musgrave Group member changes in any material respect the accounting procedures, principles or practices of any Musgrave Group member; and
- (w) any Musgrave Group member fails to comply in all material respects with all laws and regulations applicable to its business or does or omits to do anything which might result in the termination, revocation, suspension, modification or non-renewal of any Authorisation held by it,

other than an event:

- (x) as reasonably required by an applicable law or by any Government Agency; or
- (y) as disclosed in an announcement by Musgrave to the ASX, or a publicly available document lodged with ASIC, in the 12 months prior to the Announcement Date.

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

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

Nominee means the sale nominee approved by ASIC.

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

PFS means the prefeasibility study.

Ramelius means Ramelius Resources Limited ACN 001 717 540.

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

Ramelius Offer means the proposed takeover bid by Ramelius to acquire all Musgrave Shares for consideration of one (1) Ramelius share for every 4.21 Musgrave Shares held and \$0.04 in cash for every Musgrave Share held, as announced on 3 July 2023.

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

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

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

Relevant Interest has the meaning given to that term in section 9 of the Corporations Act.

Section means a section of this Target's Statement.

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

Small Parcel means a parcel of Westgold Shares having a value of less than A\$500 based on the highest closing price of Westgold on the ASX during the period from the date of the Bidder's Statement until the earlier of the end of the Westgold Offer Period and five ASX trading days before the first day on which Westgold must provide the Westgold Offer Consideration under the Westgold Offer.

Small Parcel Holder means a Musgrave Shareholder who would be entitled to receive a total number of Westgold Shares as consideration under the Westgold Offer which constitute a Small Parcel.

Subsidiary has the meaning given to that term in section 46 of the Corporations Act.

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

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

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

Takeover Bid mean the off-market takeover bid constituted by the dispatch of the Westgold Offer.

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

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

Third Party means a person other than Westgold, any other Westgold Group Member and any Associate of any Westgold Group Member an Associate of Westgold.

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

VWAP means the volume weighted average price.

Westgold means Westgold Resources Limited ACN 009 260 306.

Westgold Group means Westgold and its Subsidiaries.

Westgold Group Member means a member of the Westgold Group.

Westgold Information has the meaning given in Section 10.6.

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

Westgold Offer Conditions has the meaning given in Section 8.3.

Westgold Offer Consideration means one (1) Westgold Share per every 5.37 Musgrave Share held.

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

Westgold Share means a fully paid ordinary share in Westgold.

Westgold Shareholder means a holder of an Westgold Share.

CORPORATE DIRECTORY

Musgrave Directors

Graham Ascough – Non-Executive Chairman

Robert Waugh – Managing Director

Kelly Ross – Non-Executive Director

John Percival – Non-Executive Director

Brett Lambert – Non-Executive Director.

Company Secretary

Patricia (Trish) Farr

Registered Office

Ground Floor, 5 Ord Street
West Perth WA 6005

Legal Adviser

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

Financial Adviser

Longreach Capital
Level 1, 317 Rokeby Rd
Subiaco WA 6008

Share Registry

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