



**DLA Piper Australia**  
Whadjuk Country  
Level 21  
240 St Georges Terrace  
Perth WA 6000  
PO Box Z5470  
Perth WA 6831  
Australia  
T: +61 8 6467 6000  
F: +61 8 6467 6001  
dlapiper.com

Market Announcements Office  
ASX Limited  
Level 4, Central Park  
152-158 St Georges Terrace  
PERTH WA 6000

**Your reference**

**Our reference**

CMC/CMC/11004803/2  
AUM/1228525828.2

**By online lodgement**

9 June 2023

**FOR IMMEDIATE RELEASE TO THE MARKET**

Dear Sir/Madam

**Takeover bid by Westgold Resources Limited for Musgrave Minerals Limited – bidder's statement**

We act for Westgold Resources Limited ACN 009 260 306 (ASX:WGX) (**Westgold**) in relation to its off-market takeover bid to acquire all of the fully paid ordinary shares in Musgrave Minerals Limited ACN 143 890 671 (ASX:MGV) (**Musgrave**) that Westgold does not already own (**Offer**).

In accordance with item 5 of section 633(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**) and on behalf of Westgold, we enclose a copy of Westgold's bidder's statement in relation to its Offer, which has been lodged today with the Australian Securities and Investments Commission and sent to Musgrave.

Westgold gives notice pursuant to sections 633(2) and 633(4)(a) of the Corporations Act that 5.00pm (Perth time) on Sunday, 11 June 2023 is the date set in accordance with section 633(2), as the time and date for determining persons to whom information is to be sent in accordance with items 6 and 12 of section 633(1) of the Corporations Act.

Yours sincerely

**James Nicholls**  
Partner  
T: +61 86467 6087  
james.nicholls@dlapiper.com

**DLA Piper Australia**

**Matthew Watkins**  
Partner  
T: +61 86467 6097  
matthew.watkins@dlapiper.com

**DLA Piper Australia**

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



## **Bidder's Statement**

# **Accept the Offer**

by

**Westgold Resources Limited ACN 009 260 306**

to purchase all of your ordinary shares in

**Musgrave Minerals Limited ACN 143 890 671**

for 1 Westgold Share for every 5.37 of Your Musgrave Shares

If you have any questions about the Offer or this document or about how to accept the Offer, please call Westgold Offer Information Line on +1300 918 437 (local call cost for callers within Australia).

**The Offer will close at 5.00pm (Perth time) on [●] 2023, unless extended or withdrawn.**

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## Important dates

|                                             |                                 |
|---------------------------------------------|---------------------------------|
| Bidder's Statement lodged with ASIC and ASX | 9 June 2023                     |
| Date of Offer (Offer opens)                 | [●] 2023                        |
| Date for notice on the status of Conditions | [●] 2023                        |
| Offer closes (unless extended or withdrawn) | 5.00pm (Perth time) on [●] 2023 |

These dates may vary as permitted under the Corporations Act. Any changes to the above timetable will be notified on Westgold's website at [www.westgold.com.au](http://www.westgold.com.au).

## Key contacts

| Share Registry                                                                                                              | Offer Information Line*                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Computershare Investor Services Pty Limited<br>Level 11, 172 St Georges Terrace<br>Perth WA 6000<br>Telephone: 1300 850 505 | 1300 918 437 (from within Australia) or +61 3 9415 4393 (from outside Australia) between 8.30am and 5pm (AEST), Monday to Friday.<br><br><i>*Calls to these numbers may be recorded</i> |

## How to accept the offer

Acceptances must be received before the end of the Offer Period (subject to the terms of the Offer).

### For Issuer Sponsored Holdings of Shares (Securityholder Reference Number beginning with 'I')

To accept the Offer, complete the enclosed Acceptance Form in accordance with the instructions on it and return it in the enclosed envelope or to the address on the Acceptance Form.

### For CHESS Holdings of Shares (Holder Identification Number beginning with 'X')

To accept the Offer, either contact your Controlling Participant (usually your broker) and instruct them to accept the Offer on your behalf or complete the enclosed Acceptance Form in accordance with the instructions on it and return it in the enclosed envelope or to the address on the Acceptance Form.

## Important notices

### **Bidder's Statement relating to an offer from Westgold Resources Limited (ACN 009 260 306), to acquire all of the ordinary shares in Musgrave Minerals Limited (ACN 143 890 671).**

This document is the Bidder's Statement given by the bidder under Part 6.5 of Chapter 6 of the Corporations Act and in compliance with the requirements of sections 636 and 637 of the Corporations Act, in relation to the Offer contained in Schedule 1 of this Bidder's Statement.

This document contains the formal terms of the Offer by Westgold and other information relevant to your decision whether to accept the Offer.

### **Australian Securities and Investments Commission**

A copy of this Bidder's Statement was lodged with the Australian Securities and Investments Commission on 9 June 2023. Neither ASIC nor any of its officers takes any responsibility for the content of this Bidder's Statement.

### **Date of the Offer**

This Bidder's Statement is dated 9 June 2023. It includes an Offer dated [●] 2023 in paragraph 1.7 of Schedule 1 of this document.

### **Investment decisions**

This Bidder's Statement does not constitute financial product advice or investment advice (nor tax, accounting or legal advice) and has been prepared without reference to your individual investment objectives, financial situation or other circumstances. Any acceptance of the Offer will be subject to investment and other known and unknown risks, some of which are beyond the control of Westgold. These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of shares in Westgold and Musgrave in the future. When making any investment decision, investors should make their own enquires and investigations regarding all information in this Bidder's Statement, including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Westgold and Musgrave, and the impact that different future outcomes may have on Westgold and Musgrave. Further information in relation to these risks and uncertainties, including the key risks of the Offer are summarised in Section 9. This Bidder's Statement should not be relied upon as the sole basis for any decision as to whether or not to accept the Offer and Westgold recommends that you seek independent financial, legal, taxation and other professional advice before making any such investment decision.

### **Privacy**

Westgold has obtained your information from the Musgrave Register for the purpose of making the Offer and, if accepted, administering holdings of Westgold Shares. The Corporations Act requires the names and addresses of Westgold Shareholders to be held in a public register. Your information may be disclosed to Westgold's related bodies corporate and external service providers. It may also be required to be disclosed to regulators such as ASIC. The registered address of Westgold is Level 6, 200 St Georges Terrace, Perth, Western Australia, 6000.

### **Defined terms and interpretation**

Unless otherwise noted, terms used in this Bidder's Statement and Offer are defined in Section 12.1 below. That Section also sets out certain rules of interpretation that apply to this Bidder's Statement.

### **Notice to persons outside Australia**

It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept the Offer. You should note that the Offer has been conducted in accordance with the laws enforced in Australia and the ASX Listing Rules. The disclosure requirements in relation to the Offer applicable in Australia may differ from those applying in your jurisdiction. Foreign shareholders may have difficulties in enforcing their rights and any claims they may have arising under the laws of their jurisdiction. It may also be difficult to compel the bidder to subject itself to a foreign court's judgment.

This Bidder's Statement does not constitute an offer to sell, nor the solicitation of an offer to buy, any Musgrave Shares in any jurisdiction other than Australia and its external territories and New Zealand, unless Westgold determines to the contrary.

The distribution of this Bidder's Statement in jurisdictions outside Australia and its external territories and New Zealand may be restricted by law or regulation. Accordingly, persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register this Bidder's Statement or qualify Westgold or to otherwise permit a public offering of Westgold Shares outside Australia.

Investors resident in places other than Australia and its external territories and New Zealand should note that the Offer is being proposed and will be conducted in accordance with the laws in force in Australia and with the ASX Listing Rules. The disclosure requirements in relation to the Offer in

Australia will differ from those applying in other jurisdictions. The financial statements included in this Bidder's Statement have been prepared in accordance with generally accepted accounting principles in Australia that will differ from those in other jurisdictions.

The securities referred to in this Bidder's Statement have not been and will not be registered under the *US Securities Act of 1933 (Securities Act)*, as amended, or other securities laws of any jurisdiction of the US and therefore may not be offered or sold in the US without registration or an applicable exemption from the registration requirements of the Securities Act. **This Bidder's Statement does not constitute an offer to issue or to sell or the solicitation of any offer to buy any such securities or any securities to be issued in exchange for such securities in any jurisdiction in which the issue of shares under the Offer would be unlawful.**

#### Small Parcel Holders

Following acceptance of the Offer, if the total number of Westgold Shares you are entitled to receive as consideration under the Offer is a Small Parcel, you will receive a cash amount for Your Musgrave Shares, calculated in accordance with Section 11.4 as if you were an Ineligible Foreign Shareholder.

#### Forward looking statements

Certain statements in this Bidder's Statement relate to the future. Such forward looking statements are not based on historical facts, but rather reflect the current assumptions and expectations of Westgold concerning future events and circumstances, including the operations of Westgold and Musgrave and the economic and regulatory environment in which Westgold and Musgrave will operate in the future. Often, but not always, forward looking statements can be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements in this Bidder's Statement regarding intent, belief, expectations, plans, strategies and objectives of management, indications of and guidance on synergies, future earnings or financial position or performance, future acquisitions, anticipated production or construction commencement dates, costs or production outputs for each of Westgold and Musgrave (based on, among other things, their respective estimates of their production for the periods specifically referred to in this Bidder's Statement), the outcome and effects of the Offer (including expected benefits to Westgold and Musgrave Shareholders) and the future operations of Westgold and Musgrave.

To the extent that this Bidder's Statement contains forward looking information, the forward-looking information is subject to a number of risks, including those generally associated with the mining industry. Any such forward looking statement inherently

involves known and unknown risks, uncertainties and other factors that may cause actual results, performance and achievements to be materially greater or less than estimated. These may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development (including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves), political and social risks, changes to the regulatory framework within which Westgold and Musgrave operate or may in the future operate, environmental conditions including extreme weather conditions, geological and geotechnical events, and other environmental issues, the recruitment and retention of key personnel, industrial relations issues, litigation and outbreaks of disease or pandemics (including the continuation of the global COVID-19 pandemic). Further information in relation to these risks and uncertainties, including the key risks of the Offer are summarised in Section 9. All forward looking statements should be read in light of such risks and uncertainties. None of Westgold, its respective officers, employees and advisers nor any other person named in this Bidder's Statement, makes any representation or warranty that any outcome, performance, or result expressed in or implied by any forward looking statement in this Bidder's Statement will actually occur. You should treat all forward looking statements with caution and not place undue reliance on them.

Any forward looking statements in this Bidder's Statement reflect the assumptions and expectations of Westgold as at the Announcement Date. Except as required by law, Westgold and its respective officers, employees and advisers, and any person named in this Bidder's Statement with their consent, and any person involved in the preparation of this Bidder's Statement, disclaim any obligation to revise or update any forward looking statements after the Announcement Date to reflect any change in the assumptions or expectations on which those statements are based.

#### Disclaimer as to Musgrave and Combined Group Information

Information in this document about Musgrave has been prepared based on publicly available information. Westgold has not independently verified such information. Accordingly, subject to the Corporations Act, Westgold does not make any representation or gives any express or implied warranty as to the accuracy or completeness of such information.

Further information relating to Musgrave's business may be included in the Target's Statement which Musgrave must provide to its shareholders in response to this Bidder's Statement.

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

### **Value of Westgold Shares**

As you are being offered Westgold Shares as consideration for Your Musgrave Shares, the implied value of the Offer will vary with the market price of Westgold Shares. Further information on the implied value of the Offer is contained in Section 11.5(c) of this Bidder's Statement.

### **No guarantee of capital or investment returns**

Except as required by law, and only to the extent required, no person named in this Bidder's Statement nor any other person, warrants or guarantees Westgold's performance with or without the acquisition of Musgrave or the repayment of capital or any return on investment made pursuant to this Bidder's Statement.

Acceptance of the Offer is not a deposit with or other liability of Westgold or any other related party or associate of Westgold. The Offer Consideration to be received under the Offer is subject to investment risk including loss of income or principal invested. Neither Westgold nor any of its related parties or associates, gives any guarantee or assurance as to the performance of the new Westgold Shares, any particular rate of return on the new Westgold Shares or the repayment of any capital or principal.

### **Non-IFRS information**

This Bidder's Statement references certain terms commonly used in the mining industry that are not prescribed in the IFRS, including "AISC", and that constitute 'non-IFRS financial information' under Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC.

C1 represents the cost for mining, processing and administration after accounting for movements in inventory (predominantly ore stockpiles). It includes net proceeds from by-product credits, but excludes the cost of royalties and capital costs for exploration, mine development and plant and equipment. AISC is made up of the C1 plus royalty expense, sustaining capital expense and general corporate and administration expenses. AIC is made up of the AISC plus growth (major project) capital and discovery expenditure.

Westgold believes this non-IFRS financial information provides useful information to users in measuring the financial performance and condition of Westgold. The non-IFRS financial information does not have a standardised meaning prescribed by the Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures

presented by other entities, nor should it be construed as an alternative to other financial measures determined in accordance with the Australian Accounting Standards. You are cautioned, therefore, not to place undue reliance on any non-IFRS financial information and ratios (if any) included in this Bidder's Statement.

### **Diagrams, maps and data in charts, graphs and tables**

Diagrams and maps appearing in this Bidder's Statement are illustrative only and may not be drawn to scale. Unless otherwise indicated, all data contained in charts, graphs and tables is based on information current at the Announcement Date.

### **References to currency**

Unless otherwise indicated, all references to \$, A\$, dollars or cents in this Bidder's Statement are to Australian currency.

### **References to time**

Unless otherwise indicated, all references to time in this Bidder's Statement are to the time in Perth, Australia.

### **Further questions**

If you have further questions in relation to the Offer or how to accept them, please call the Offer Information Line on 1300 918 437 from within Australia (toll-free) or +61 3 9415 4393 from outside Australia (charges apply) between 8:30am and 5:00pm (AEST) Monday to Friday.

# Letter to Musgrave Shareholders

Dear Musgrave Shareholder

We are pleased to enclose an Offer from Westgold Resources Limited ACN 009 260 306 to acquire all of your ordinary shares in Musgrave Minerals Limited ACN 143 890 671.

## Offer overview

The Offer provides Musgrave Shareholders the opportunity to see their gold assets developed by a well-funded, debt free and experienced gold miner in a timely and capital efficient manner. It provides an immediate and attractive premium that sidesteps the high risk, dilutive and arduous process of approval, finance, construction and start-up of a small, stand-alone processing facility in a region already well serviced with processing infrastructure.

Westgold is offering you 1 Westgold Share for every 5.37 of your Musgrave Shares. As at 2 June 2023 (being Westgold's share price at the time of Westgold's proposal and before the loss of confidentiality affected Musgrave's share price and volumes), the implied value of the Offer Consideration was \$177.3 million or \$0.30 per Musgrave Share (based on the closing price of Westgold Shares on 2 June 2023 of \$1.61<sup>1</sup>).

The Offer represents a highly attractive premium of:<sup>2</sup>

- **30.5%** to the 5-day VWAP of Musgrave Shares of \$0.229 on 2 June 2023;
- **33.0%** to the 30-day VWAP of Musgrave Shares of \$0.225 on 2 June 2023; and
- **41.3%** to the 180-day VWAP of Musgrave Shares of \$0.212 on 2 June 2023.

## Offer rationale and key benefits

Westgold is a leading Western Australian gold mining company with a current market capitalisation of approximately \$763 million<sup>3</sup>, cash and liquid assets of \$168 million and nil debt as at 31 March 2023.

Westgold is the dominant gold producer in the Murchison region with annual Group production of approximately 240-260koz with 200koz of gold from its Cue and Meekatharra gold operations.<sup>4</sup> This strategic position is bookended by our 1.4Mtpa Tuckabianna processing hub and 1.8Mtpa Bluebird processing hub which are situated only 40km and 120km to the north of the Musgrave Cue gold project respectively.

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<sup>1</sup> The implied valuation will change from time to time in accordance with fluctuations in the price of Westgold Shares.

<sup>2</sup> Other than where specified, VWAPs are calculated for the period up to and including 2 June 2023 (being Musgrave's share price at the time of Westgold's proposal and before the loss of confidentiality affected Musgrave's share price and trading volumes).

<sup>3</sup> Based on Westgold's closing price of \$1.61 as at 2 June 2023.

<sup>4</sup> The information in relation to the production guidance is extracted from the Westgold announcement "Westgold delivers FY22 and releases guidance for FY23" dated 26 August 2022. Westgold confirms that all material assumptions underpinning the production target, or the forecast financial information derived from the production target, in the announcement continue to apply and have not materially changed. There is a low 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. The stated production target is based on Westgold's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.

The combination of Westgold and Musgrave represents a logical, pragmatic regional consolidation of Musgrave's Cue gold project with Westgold's existing processing infrastructure.

Combining these assets will:

- Provide a rapid, lower risk and capital efficient means Musgrave Shareholders seeing the Cue Gold Project developed.
- Materially reduce the capital burden timing and complexity associated with Musgrave seeking to independently approve, finance, construct, equip, resource and operate a stand-alone processing hub within close proximity of two existing, fully operational processing hubs.
- Remove inefficient duplication of processing infrastructure, and pre-production capital costs of \$121 million. These savings can be applied to value-adding activities such as mine development and exploration drilling.
- Expedite the benefits and increase the certainty of employment, commercial opportunities and royalties that will flow to local communities.
- Improve the ESG metrics for all stakeholders due to a smaller development footprint that will reduce environmental and social impact.

By accepting the Offer, you will become a Westgold Shareholder and continue to have exposure to the future potential upside associated with combined groups assets whilst becoming part of an established, well-funded and debt free Western Australian gold miner.

## Next steps and how to ACCEPT

Detailed information about the Offer is set out in this Bidder's Statement. I encourage you to carefully read this Bidder's Statement in its entirety and consider the merits of this Offer.

The Offer is subject to a limited number of conditions which are set out in this document, including Westgold having received valid acceptances for at least 50.1% of Musgrave Shares at or before the end of the Offer Period, unless such conditions are waived.

The Offer is scheduled to close at 5.00pm (Perth time) on [●] 2023, unless extended. To accept the Offer, please follow the instructions set out in this document and on the accompanying Acceptance Form.

I strongly encourage you to **ACCEPT** the Offer as soon as possible.

If you have any questions in relation to the Offer, please contact the Offer Information Line on 1300 918 437 (if in Australia) or +61 3 9415 4393 (if outside Australia) between 8:30am and 5:00pm (AEST), Monday to Friday.

We look forward to receiving your acceptance and to welcoming you as a Westgold Shareholder.

Yours sincerely



**Hon. Cheryl Edwardes AM**  
Non-Executive Chair  
Westgold Resources Limited

## Reasons why you should **ACCEPT** the Offer

The Offer provides significant benefits to you as a Musgrave Shareholder. The key reasons why you should accept the Offer are as follows:

1. **The Offer represents a highly attractive premium and value for your Musgrave Shares**
2. **The Offer is underpinned by the strong strategic rationale based on logical regional consolidation**
3. **The all-scrip Offer provides Musgrave Shareholders with an opportunity to own shares in Westgold, a well-funded, debt free, established gold producer, with significantly greater liquidity, market relevance while retaining exposure to the future development of the Musgrave assets**
4. **The Offer significantly reduces the capital burden and approval, financing, construction, project development and operating risks associated with being a Musgrave Shareholder**
5. **You may receive CGT rollover relief for the Offer Consideration**
6. **You may not incur brokerage or stamp duty in accepting the Offer**
7. **Should you not accept the Offer and the Offer lapses, then the Musgrave Share price may drop to pre-Offer levels or below with a reduced level of trading liquidity**
8. **If you do not accept the Offer, you may become a minority Musgrave Shareholder**

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### 1. **The Offer represents a highly attractive premium and value for your Musgrave Shares**

By accepting the Offer you will receive 1 Westgold share for every 5.37 Musgrave Shares you own.

The recent trading price of Westgold shares was \$1.61 on 2 June 2023 (being Westgold's share price at the time of Westgold's proposal and before the loss of confidentiality affected Musgrave's share price and volumes).

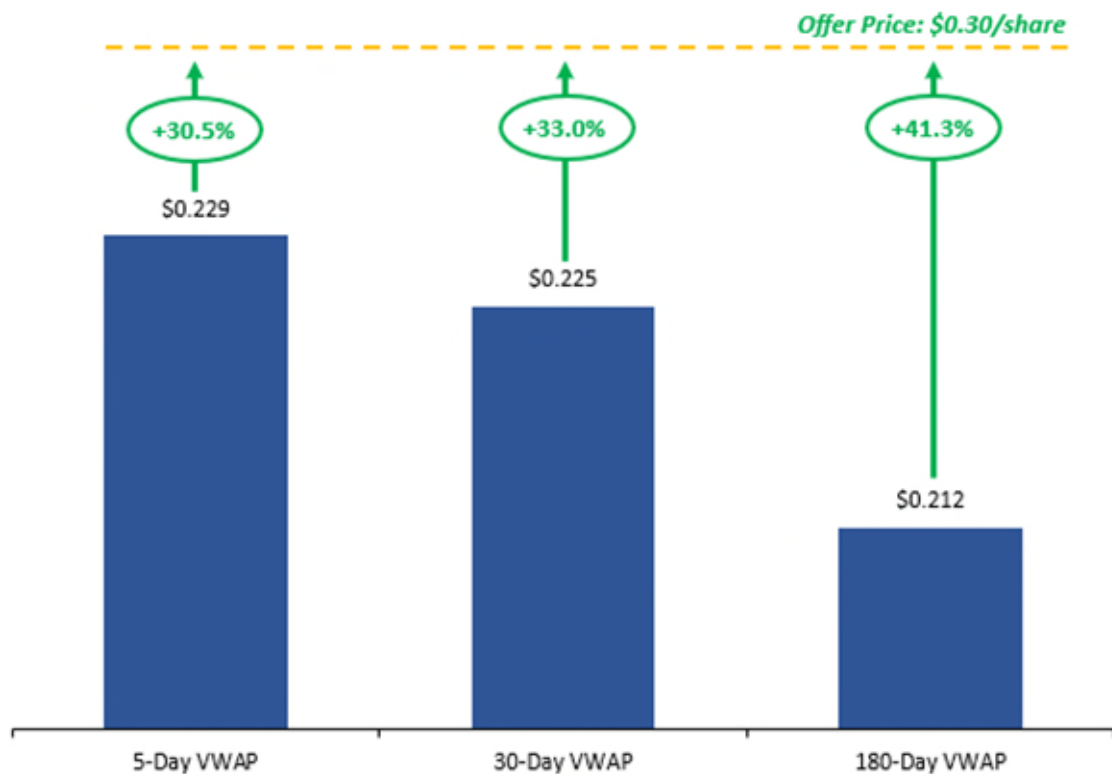
The Offer represents a highly attractive premium of:

- **30.5%** to the 5-day VWAP of Musgrave Shares of \$0.229 on 2 June 2023;
- **33.0%** to the 30-day VWAP of Musgrave Shares of \$0.225 on 2 June 2023; and
- **41.3%** to the 180-day VWAP of Musgrave Shares of \$0.212 on 2 June 2023.<sup>5</sup>

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<sup>5</sup> VWAPs are calculated for the period up to and including 2 June 2023 (being the last undisturbed trading day of Westgold Shares and Musgrave Shares).

The graph below compares the value of the Offer relative to the historical volume weighted average trading prices of Musgrave Shares on the ASX, up to 2 June 2023 (being \$0.240).



The graph below shows the \$0.30 implied Offer value of the Offer Consideration relative to the historical trading prices of Musgrave Shares on the ASX, up to 2 June 2023.



The all-scrip Offer provides you attractive ongoing equity ownership and full exposure to the benefits of being a shareholder in the larger Combined Group.

To receive this attractive value for your Musgrave Shares, you should **ACCEPT** the Offer.

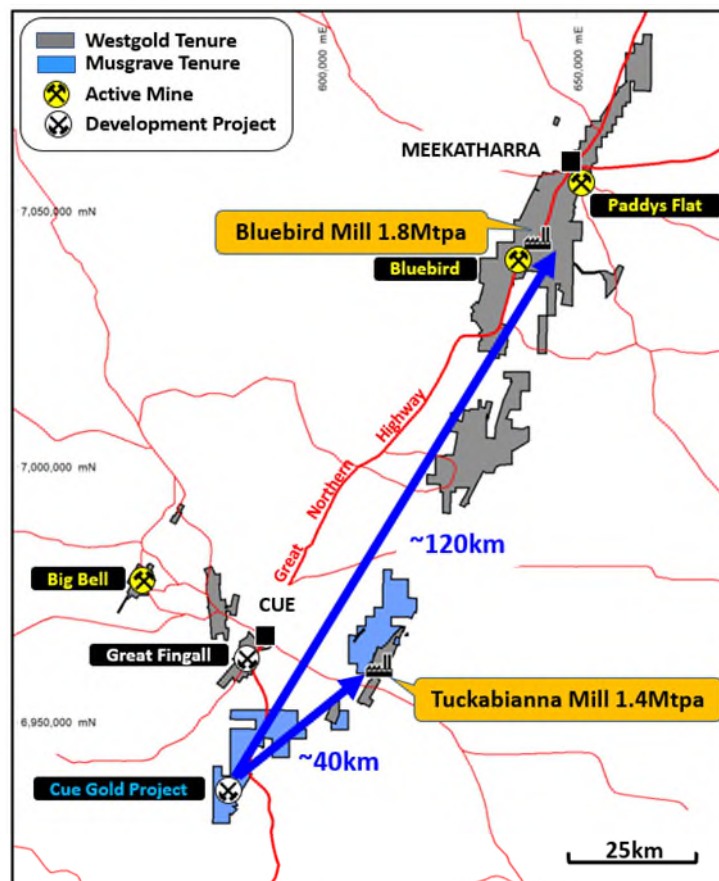
## 2. The Offer is underpinned by the strong strategic rationale based on logical regional consolidation

The combination of Westgold and Musgrave represents a logical regional consolidation of Westgold's substantial Murchison gold operations (**MGO**), which hosts the 1.4Mtpa Tuckabianna and 1.8Mtpa Bluebird mining and processing infrastructure, with Musgrave's Cue gold project resources.

The Tuckabianna and Bluebird processing facilities are located approximately 40km and 120km north from Musgrave's Cue gold project respectively. The proximity of Westgold's Tuckabianna and Bluebird processing facilities to Musgrave's Cue gold project creates an opportunity for numerous synergies to be realised.

Combining these assets will:

- Provide the quickest, least dilutive and most efficient means of developing, mining and processing Musgrave ore at a time when the gold price is at a near all time high.
- Remove regulatory, financing, construction, resourcing and start-up risk that Musgrave Shareholders must fund. These savings can be applied to value-adding activities such as mine development and regional exploration drilling.
- Improve the ESG metrics of the Cue Gold project due to it having a smaller development footprint with reduced environmental impact if it utilises existing Westgold regional infrastructure.
- Fast-track the benefits of employment, commercial opportunities and royalties that will flow to local communities with greater certainty.



The Combined Group will consolidate Westgold's significant regional tenements, Mineral Resources and Ore Reserves, mining and processing infrastructure in the Murchison region.

Westgold considers this Offer is a sensible and logical outcome to unlock value for both sets of shareholders.

On accepting the Offer, you will participate in this value uplift and associated benefits expected to result from the combination.

**3. The all-scrip Offer provides Musgrave Shareholders with an opportunity to own shares in Westgold, a well-funded, debt free, established gold producer, with significantly greater liquidity, market relevance while retaining exposure to the future development of the Musgrave assets**

Westgold owns and operates three processing hubs located in the Murchison and Bryah regions of Western Australia that produce approximately 250,000oz of gold per annum.

The Murchison region hosts the Cue and Meekatharra gold operations which produces approximately 200,000oz of gold per annum on a combined basis. The Fortnum gold operation in the Bryah region contributes approximately 50,000oz of gold per annum.

Westgold's operations are undertaken on an owner operator basis supported by its mining fleet, which has an estimated replacement value of approximately \$200 million.

In FY23, Westgold is targeting production of 240,000oz - 260,000oz at an AISC of \$1,900/oz - \$2,100/oz and is currently on track to deliver around the midpoint of this guidance.<sup>6</sup>

On successful completion of the Offer, Musgrave Shareholders will hold approximately 18.9% of the Combined Group,<sup>7</sup> which is debt free expected to have a market capitalisation of approximately \$940 million<sup>8</sup>, available cash and liquid assets of approximately \$180 million<sup>9</sup> and multiple cash generative gold assets throughout the Murchison and Bryah regions of Western Australia.

The combination of Westgold and Musgrave creates a company with enhanced scale, market relevance and excellent trading liquidity with the potential to gain inclusion in the ASX All Ordinaries indices.

By accepting the Offer, you will continue to have exposure to the future upside associated with Musgrave's assets whilst becoming part of a larger, established miner and financially stronger company.

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<sup>6</sup> The information in relation to the production guidance is extracted from the Westgold announcement "Westgold delivers FY22 and releases guidance for FY23" dated 26 August 2022. Westgold confirms that all material assumptions underpinning the production target, or the forecast financial information derived from the production target, in the announcement continue to apply and have not materially changed. There is a low 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. The stated production target is based on Westgold's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.

<sup>7</sup> Assumes 110.1 million new Westgold Shares (on an undiluted basis) are issued to Musgrave Shareholders based on the Musgrave Offer price of \$0.30 and Westgold share price of \$1.61 as at 2 June 2023.

<sup>8</sup> Combined Group market capitalisation based on Westgold pro-forma shares on issue of 583.7 million and Westgold's share price of \$1.61 as at 2 June 2023.

<sup>9</sup> Combined Group cash and liquid assets based on Westgold and Musgrave last reported cash and liquid positions as at 31 March 2023. Refer to the company Quarterly Reports.

#### **4. The Offer significantly reduces the capital burden and approval, financing, construction, project development and operating risks associated with being a Musgrave Shareholder**

Musgrave's assets are at an advanced exploration stage with approximately 53% of existing Mineral Resources being classified as Inferred Resources, which is the lowest level of resource confidence. Musgrave has not currently declared any Ore Reserves.

In April 2023, Musgrave released a Stage 1 pre-feasibility study outlining a pathway for the potential future development of its Cue gold project.<sup>10</sup>

As set out in the pre-feasibility study, the Cue gold project would only have an initial mine life of five (5) years based on open pit and underground Mineral Resources. The pre-feasibility study estimated pre-production capital costs of \$121 million for open pit pre-stripping, construction of a 500ktpa processing facility, tailings storage facility, camp facilities, other infrastructure and contingencies associated with the outlined development.

The next stage of advancing the Cue gold project will involve substantial development risks. Further drilling and studies will be needed to support a financial investment decision and decision to mine.

Significant additional drilling and technical work will be required to convert the existing Mineral Resources into Ore Reserves to support a potential future project financing and decision to mine.

Any future development will also face the challenging inflationary environment prevailing in the Western Australian natural resources sector, together with the ongoing skills and labour shortages, that is adversely affecting other mining development projects.

Alternatively, the combination of Westgold and Musgrave immediately fast tracks the development and removes the \$121 million pre-production capital hurdle associated with Musgrave's plan to construct a standalone 500ktpa processing facility as Westgold already owns multiple nearby processing infrastructure.

In the absence of the Offer, Musgrave will require material additional funding to achieve standalone production. In this circumstance, Musgrave Shareholders will need to provide material additional equity funding or face significant share dilution if they were unable or unwilling to participate in the requisite future fundraisings. There is no guarantee that project financing will be received by Musgrave on commercial terms or at all.

By becoming a Westgold Shareholder, Musgrave Shareholders mitigate many of these risks being significantly reduced as they become part of a leading, well-funded Western Australian gold company with demonstrated mining and processing experience along with greater financing capacity.

#### **5. You may receive CGT rollover relief for the Offer Consideration**

Each Musgrave Shareholder's tax position is different. Therefore, Musgrave Shareholders should seek their own independent tax advice regarding the specific tax consequences of the Offer, including the application and effect of income and other tax laws to their particular circumstances.

A summary of the general Australian income tax, stamp duty and GST consequences for Musgrave Shareholders who accept the Offer is set out in Section 10. However, Musgrave

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<sup>10</sup> See ASX announcement dated 17 April 2023 "Stage 1 PFS Demonstrates Potential Value of Cue Gold Project".

Shareholders should not rely on the summary in Section 10 in substitution for specific advice on their own affairs.

As further detailed in Section 10, Australian tax resident Musgrave Shareholders who hold their shares on capital account may be able to claim scrip for scrip Capital Gains Tax rollover relief provided that Westgold acquires 80% or more of all Musgrave Shares. Australian tax resident shareholders qualify for roll-over relief and elect for rollover relief to apply, should not trigger a liability on the exchange of their Musgrave Shares for Westgold Shares.

## **6. You may not incur brokerage or stamp duty in accepting the Offer**

If you accept the Offer and your Musgrave Shares are registered in an Issuer Sponsored Holding in your name, you will not incur brokerage on the transfer of your Musgrave Shares to Westgold pursuant to the Offer.

If you accept the Offer and 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 Offer.

If you sell your Musgrave Shares on the ASX, rather than disposing of them via the Offer, you may incur brokerage charges (and, potentially, GST on those charges).

You will not be required to pay any stamp duty on the disposal of your Musgrave Shares under the Offer or on the acquisition of Westgold Shares under the Offer.

## **7. Should you not accept and the Offer lapses, then Musgrave Share price may drop to pre-Offer levels or below with a reduced level of trading liquidity**

If the Offer is not successful and no higher bid for Musgrave emerges, the Musgrave Share price is likely to fall below the implied Offer value and may experience reduced liquidity.

## **8. If you do not accept the Offer, you may become a minority Musgrave Shareholder**

If the Offer is declared unconditional and the Minimum Acceptance Condition is satisfied, you will become a minority Musgrave Shareholder. This may have adverse implications for your shareholding.

## 1. Summary of the Offer

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This summary of the Offer provides a general overview only and should be read together with the detailed information set out in the remainder of this Bidder's Statement.

|                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>What is the Bidder's Statement?</b>                | This Bidder's Statement was prepared by Westgold for distribution to Musgrave Shareholders. It sets out the terms of the Offer and other information relating to the Offer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Who is Westgold?</b>                               | <p>Westgold (ASX:WGX) is an established, debt free ASX300 Western Australian gold mining business. It is the dominant gold miner in the Murchison and Bryah regions with over 1,300km<sup>2</sup> of mineral licences.</p> <p>Westgold is the owner-operator of all of its underground mines. This provides operational flexibility that has insulated the business through downturn events and labour impacts, such as those caused by COVID-19.</p> <p>Its three processing hubs are Cue and Meekatharra, located in the Murchison region; and Fortnum, located in the Bryah region. Combined, the three operations have consistently delivered a production profile of 240,000-260,000oz per annum with plans to exceed this in coming years.<sup>11</sup></p> |
| <b>What is the Offer?</b>                             | <p>Westgold is offering to acquire all of the ordinary shares in Musgrave by way of an off-market takeover on the terms and conditions set out in this Bidder's Statement.</p> <p>The Offer relates to all Musgrave Shares that exist, or will exist, on the Register Date and to all Musgrave Shares issued before the end of the Offer Period as a result of the exercise of any Musgrave Options that are on issue at the Register Date.</p>                                                                                                                                                                                                                                                                                                                   |
| <b>What will you receive if you accept the Offer?</b> | <p>If you accept the Offer, subject to the satisfaction or waiver of the Offer Conditions, you will receive 1 Westgold Share for every 5.37 Musgrave Shares.</p> <p>If you are an Ineligible 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 11.4 for further details.</p> <p>Entitlements to fractions of Westgold Shares will be rounded down.</p>                                                                                                                                                                                                                         |
| <b>What is the value of the Offer Consideration?</b>  | <p>The Offer Consideration is comprised of 1 Westgold Share for every 5.37 Musgrave Shares. The value of the Offer Consideration is approximately \$177.3 million based on Westgold's closing price as at 2 June 2023 (being the last undisturbed trading day).</p> <p>As Westgold Shares are listed on the ASX, the market price of Westgold Shares can fall as well as rise and may be subject to varied and unpredictable influences. Accordingly, there is no guarantee that a Westgold Share will continue to be worth equal to or above \$1.44, being the last recorded sale price of Westgold Shares on ASX at the Last Practicable Date).</p>                                                                                                             |

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<sup>11</sup> The information in relation to the production guidance is extracted from the Westgold announcement "Westgold delivers FY22 and releases guidance for FY23" dated 26 August 2022. Westgold confirms that all material assumptions underpinning the production target, or the forecast financial information derived from the production target, in the announcement continue to apply and have not materially changed. There is a low 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. The stated production target is based on Westgold's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.

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

The Offer is subject to a number of conditions which are set out in full in paragraph 8 of Schedule 1. These conditions include (in summary only):

- **(Minimum Acceptance Condition)** during, or at the end of, the 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 prior to Offer Period)** no Musgrave Prescribed Occurrence occurs between the Announcement Date and the commencement of the Offer Period (inclusive);
- **(no Musgrave Prescribed Occurrence during Offer Period)** no Musgrave Prescribed Occurrence occurs during the Offer Period;
- **(no Musgrave Regulated Event)** no Musgrave Regulated Event occurs between (and including) the Announcement Date and the end of the Offer Period (inclusive);
- **(no Musgrave Material Adverse Change)** no Musgrave Material Adverse Change occurs between the Announcement Date and the end of the Offer Period (inclusive); and
- **(Minimum Bid Price Condition)** 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 Offer Consideration as a result of a fall in the value of a Westgold Share after the Announcement Date.

If any of the Offer Conditions (other than the Offer Condition set out at paragraph 8.3 of Schedule 1) are not satisfied or waived by Westgold by end of the Offer Period, the Offer will lapse and not proceed and your acceptances will be void.

In addition, there is a statutory condition (see paragraph 9.7 of Schedule 1) relating to the ASX quotation of Westgold Shares to be issued under the Offer. If this condition is not fulfilled, the Offer will lapse and not proceed and your acceptances will be void.

In either of these circumstances, you will not receive the Offer Consideration for Your Musgrave Shares and you will retain Your Musgrave Shares.

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**Do the Musgrave Directors support the Offer?**

The Musgrave Board is yet to make a recommendation on whether to accept or reject the Offer. Musgrave has up to 15 days to issue the Target's Statement after the dispatch of this Bidder's Statement where they will provide a recommendation on the Offer.

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**How do I accept the Offer?**

You may only accept the Offer in respect of all (and not part) of Your Musgrave Shares. Acceptances must be received before the end of the Offer Period (subject to the terms of the Offer).

*For Issuer Sponsored Holdings of Shares (Securityholder Reference Number beginning with 'I')*

To accept the Offer, complete the enclosed Acceptance Form in accordance with the instructions on it and return it in the enclosed envelope or to the address on the Acceptance Form.

*For CHESS Holdings of Shares (Holder Identification Number beginning with 'X')*

To accept the Offer, either contact your Controlling Participant (usually your Broker) and instruct them to accept the Offer on your behalf, or complete the enclosed Acceptance Form in accordance with the instructions on it and return it in the enclosed envelope or to the address on the Acceptance Form.

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|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>When will you receive your Offer Consideration?</b>                                    | <p>If you validly accept the Offer and the Offer becomes unconditional, then you will be issued the Offer Consideration on or before the earlier of:</p> <ul style="list-style-type: none"> <li>• one month after date of your acceptance, or if at the time of your acceptance the Offer is subject to an Offer Condition, one month after the Offer becomes unconditional; or</li> <li>• 21 days after the end of the Offer Period.</li> </ul> <p>Ineligible 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 Offer at a different time.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Will you need to pay brokerage or stamp duty on acceptances?</b>                       | <p>You will not pay brokerage if you accept the Offer and your Musgrave Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Westgold.</p> <p>If Your Musgrave Shares are registered in a CHESS Holding, you should ask your Controlling Participant (usually your Broker) whether it will change any transaction fees or service charges in connection with acceptance of the Offer.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>What if I am an Ineligible Foreign Shareholder or Small Parcel Holder?</b>             | <p>Ineligible Foreign Shareholders and Small Parcel Holders that accept the Offer will not receive Westgold Shares. Rather, the Westgold Shares that Ineligible 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 Ineligible Foreign Shareholder or Small Parcel Holder will be paid to them by cheque in Australian dollars drawn on an Australian bank account.</p> <p>Ineligible Foreign Shareholders and Small Parcel Holders should read Section 11.4, which provides further information for Ineligible Foreign Shareholders and Small Parcel Holders about the Nominee sale process. Westgold's determination as to whether a Musgrave Shareholder is an Ineligible Foreign Shareholder or Small Parcel Holder is final.</p> <p>Depending on the Ineligible Foreign Shareholder's particular circumstances, a portion of the Offer Consideration may be withheld by Westgold and paid to the Commissioner of Taxation on account of foreign resident capital gains withholding tax.</p> |
| <b>When does the Offer close?</b>                                                         | <p>The Offer is scheduled to close at 5.00pm (Perth time) on [●] 2023, unless extended in accordance with the Corporations Act.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>What happens if I accept the Offer and Westgold increases the Offer Consideration?</b> | <p>If Westgold increases the Offer Consideration, all Musgrave Shareholders who accept the Offer (whether or not they have accepted the Offer before or after the increase) will be entitled to the benefit of the increased Offer Consideration, should the Offer become unconditional.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>What happens if I do not accept the Offer?</b>                                         | <p>If you do not accept the Offer, subject to what is stated below, you will remain a Musgrave Shareholder and will not receive the Offer Consideration.</p> <p>If Westgold becomes entitled to compulsorily acquire Your Musgrave Shares, it intends to proceed with the compulsory acquisition. If your Musgrave Shares are compulsorily acquired, it will be on the same terms (including the same consideration for each Musgrave Share acquired) as the Offer.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>What are the risks of the Offer?</b>                                                   | <p>If you accept the Offer, you will become a Westgold Shareholder (unless you are an Ineligible Foreign Shareholder or Small Parcel Holder).</p> <p>There are risks associated with holding Westgold Shares, which are summarised in Section 9 of this Bidder's Statement. In deciding whether or not to accept the Offer, you should carefully consider these risks.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

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**Enquiries about the Offer**

If you have any questions about the Offer or how to accept the Offer, please call the Offer Information Line on 1300 918 437 from within Australia (toll-free) or +61 3 9415 4393 from outside Australia (charges apply) between 8:30am and 5:00pm (AEST) Monday to Friday.

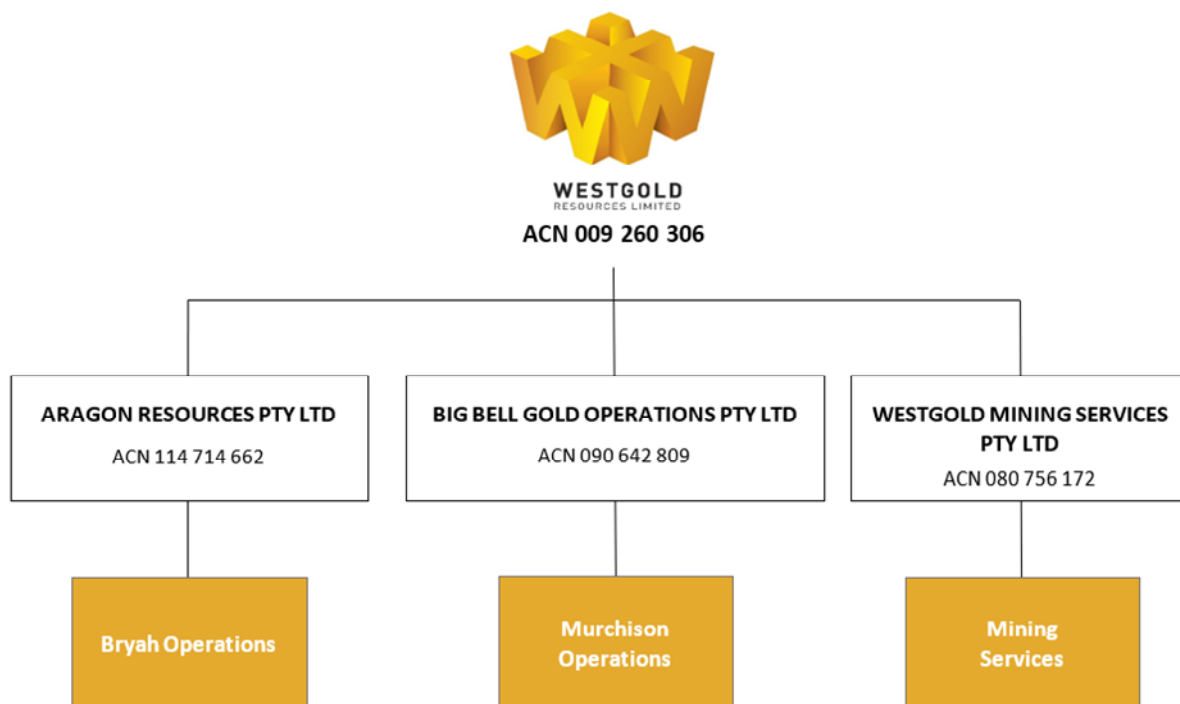
For questions regarding your holding of shares in Musgrave, please call Musgrave's share registry.

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## 2. Information on Westgold

### 2.1 Overview of Westgold

The Bidder under the Offer is Westgold Resources Limited, incorporated in Australia on 27 July 1987 and listed on ASX on 6 December 2016, following a demerger from Metals X Limited. A simplified corporate structure is below.



Westgold (ASX:WGX) is an Australian gold producer with its key assets in the Murchison region of Western Australia. It is the dominant gold producer in the region with more than 350 mining titles and over 1,300 sq kilometres of mining tenure sitting immediately north of the Musgrave tenure.

Westgold is the owner-operator of all of its underground mines. This provides operational flexibility that has insulated the business through downturn events and labour impacts, such as those caused by COVID-19.

Westgold's three processing hubs are Cue and Meekatharra, located in the Murchison region; and Fortnum, located in the Bryah region. Combined, the three operations have consistently delivered a production profile of 240,000-260,000oz per annum.<sup>12</sup>

Refer to Section 2.8 regarding Westgold and its status as a disclosing entity.

<sup>12</sup> The information in relation to the production guidance is extracted from the Westgold announcement "Westgold delivers FY22 and releases guidance for FY23" dated 26 August 2022. Westgold confirms that all material assumptions underpinning the production target, or the forecast financial information derived from the production target, in the announcement continue to apply and have not materially changed. There is a low 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. The stated production target is based on Westgold's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.

## **2.2 Principal activities of Westgold**

### **(a) Murchison operations**

The Murchison operations incorporate two processing hubs near Cue and Meekatharra. Combined, these operations are forecast to produce approximately 200,000oz in financial year 2022-2023 (FY23).

#### **Cue Gold Operations (CGO)**

CGO is located around the regional town of Cue and encompasses the Big Bell, Cuddingwarra, Day Dawn, Tuckabianna and Pinnacles mining centres. The Cue operational hub hosts the 1.4Mtpa Tuckabianna processing facility, a 148-person village at Big Bell and a 266-person village at Cue and associated mining infrastructure to support a large 'fly-in-fly-out' and 'drive-in-drive-out' mining operation.

Westgold acquired the Tuckabianna processing facility, a carbon-in-pulp processing plant, in 2017. Westgold refurbished and recommissioned the processing facility in early 2018. The Tuckabianna processing facility services Westgold's Cue Gold Operations. The plant has a name plate capacity of 1.4Mtpa and has been operating consistently at this capacity at current ore blends.

As at 30 June 2022, CGO hosted Mineral Resources of 44.7Mt @ 2.6g/t Au for 3.7Moz of contained gold and Ore Reserves of 16.2Mt @ 2.6g/t Au for 1.4Moz of contained gold.<sup>13</sup>

During FY23, Big Bell has been the dominant producing mine within the CGO and has performed well above design, such that it is currently sustaining the Tuckabianna processing plant in isolation. The current level of production has been demonstrated to be well within the capacity of the existing mining fleet with several units of fleet resultantly being repurposed across the business, translating to cost savings.

Big Bell has demonstrated the potential for accelerated development towards the deeper Big Bell ore body (Big Bell Deeps) without hampering productivity from the existing sub-level caving operation. A scoping study has been completed and a pre-feasibility study is now underway exploring the concept of commencing a stoping operation at depth in addition to the current caving operation.

Also during FY23, Westgold has been undertaking further deep drill testing of the Great Fingall deposit within the Day Dawn mining centre. An updated Mineral Resource estimate for this deposit was released on 31 May 2023 showing a 49% increase in Mineral Resources to 4.3Mt @ 4.3g/t Au for 0.588Moz.<sup>14</sup> Studies to potentially re-start this iconic historic mine continue.

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<sup>13</sup> Please refer to Sections 2.3, 9.3(e) and 0 for further information.

<sup>14</sup> Please refer to Sections 2.3, 9.3(e) and 0 for further information.

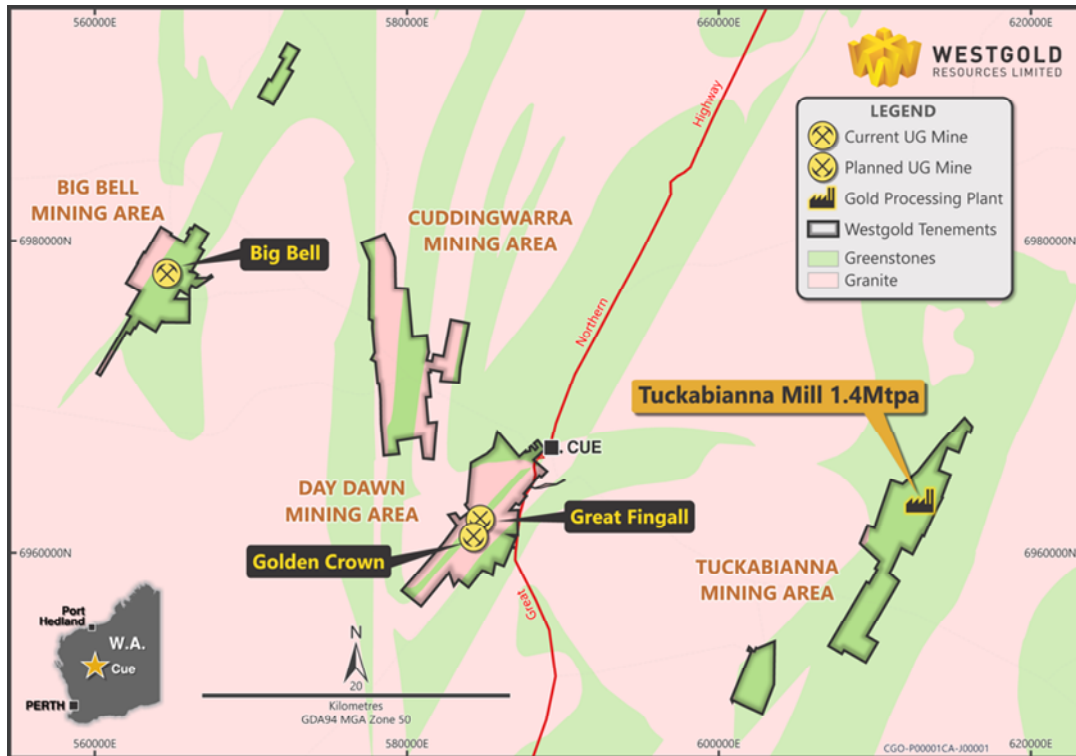


Figure 2.1: Westgold Cue Gold Operations

### Meekatharra Gold Operations (MGO)

MGO is located around the regional town of Meekatharra and encompasses the Bluebird, Meekatharra North, Paddy's Flat, Yologinda, Nannine and Reedy's mining centres. The Meekatharra operational hub hosts the 1.8Mtpa Bluebird processing facility and a 420-person village and associated mining infrastructure to support a large 'fly-in-fly-out' and 'drive-in-drive-out' mining operation.

Westgold acquired the Bluebird processing facility, a carbon-in-pulp and carbon-in-leach processing plant, in 2014 and recommissioned the plant in 2015. The Bluebird processing facility services Westgold's Meekatharra Gold Operations. The plant has operated at circa 3Mtpa on an all oxide blend and is currently operating at 1.4-1.8Mtpa at a predominantly fresh blend.

As at 30 June 2022, the Meekatharra gold operation hosted Mineral Resources of 44.8Mt @ 2.0g/t Au for 2.9Moz of contained gold and Ore Reserves of 4.2Mt @ 3.1g/t Au for 0.4Moz.<sup>15</sup>

During FY23 the Paddy's Flat and Bluebird mines have been in operation. Bluebird has been expanding rapidly since the recommencement of mining in mid FY22, with further extensions and opportunities being identified. Westgold has been completing near mine exploration drilling at Paddy's Flat, ensuring optimal level layouts are successful in defining the Fenian – Consols spur and channel lodes ahead of mining activities.

<sup>15</sup> Please refer to Sections 2.3, 9.3(e) and 0 for further information.

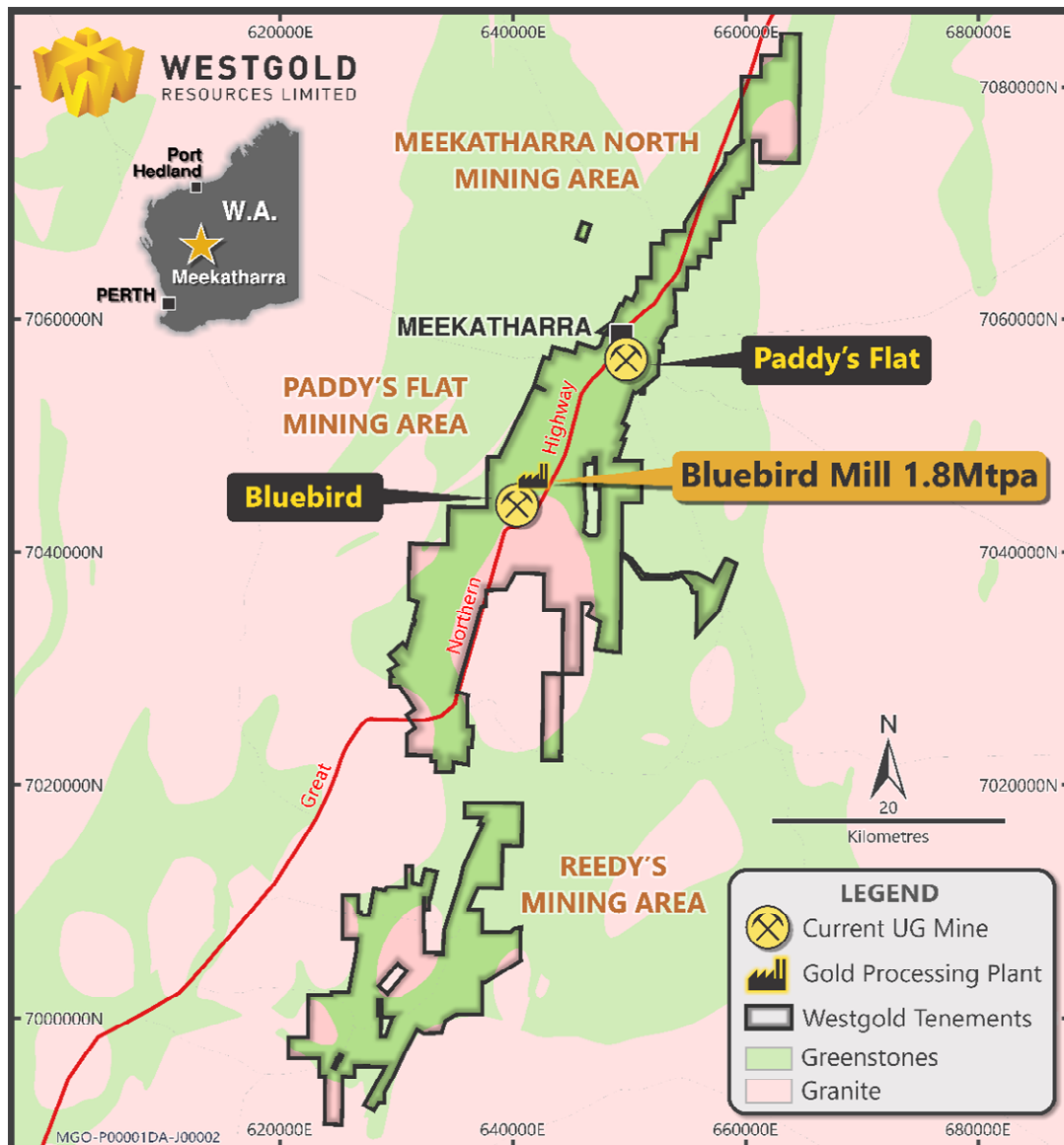


Figure 2.2: Westgold Meekatharra Gold Operations

(b) **Fortnum Gold Operations (FGO)**

FGO is located in the Bryah Basin stratigraphy, approximately 150km northwest of Meekatharra and represents the northernmost group of Westgold's assets. Fortnum encompasses the Labouchere, Fortnum, Horseshoe and Peak Hill mining centres, which have collectively delivered 2.0Moz of gold production. Fortnum incorporates an approximately 0.9Mtpa processing facility and a 200-person village.

Westgold acquired the Fortnum mill, a carbon-in-pulp processing plant, in 2015 and recommissioned in 2017. The Fortnum mill services Westgold's Fortnum Gold Operations. The plant has a name plate capacity of approximately 0.9Mtpa and has been operating consistently at that rate since 2017.

As at 30 June 2022, the Fortnum gold operation hosted Mineral Resources of 20.6Mt @ 2.0g/t Au for 1.3Moz and Ore Reserves of 5.5Mt @ 1.8g/t Au for 0.3Moz of contained gold.<sup>16</sup>

<sup>16</sup> Please refer to Sections 2.3, 9.3(e) and 0 for further information.

The Starlight underground mine at Fortnum is forecast to produce approximately 60,000oz in FY23. Starlight is mined via sub-level open stoping methods and its low operating cost is a function of its shallow depth, limited ground support requirements, proximity to the Fortnum processing plant and high metallurgical recoveries.

Westgold is currently progressing with the expansion of the Fortnum processing plant to debottleneck the crushing circuit.

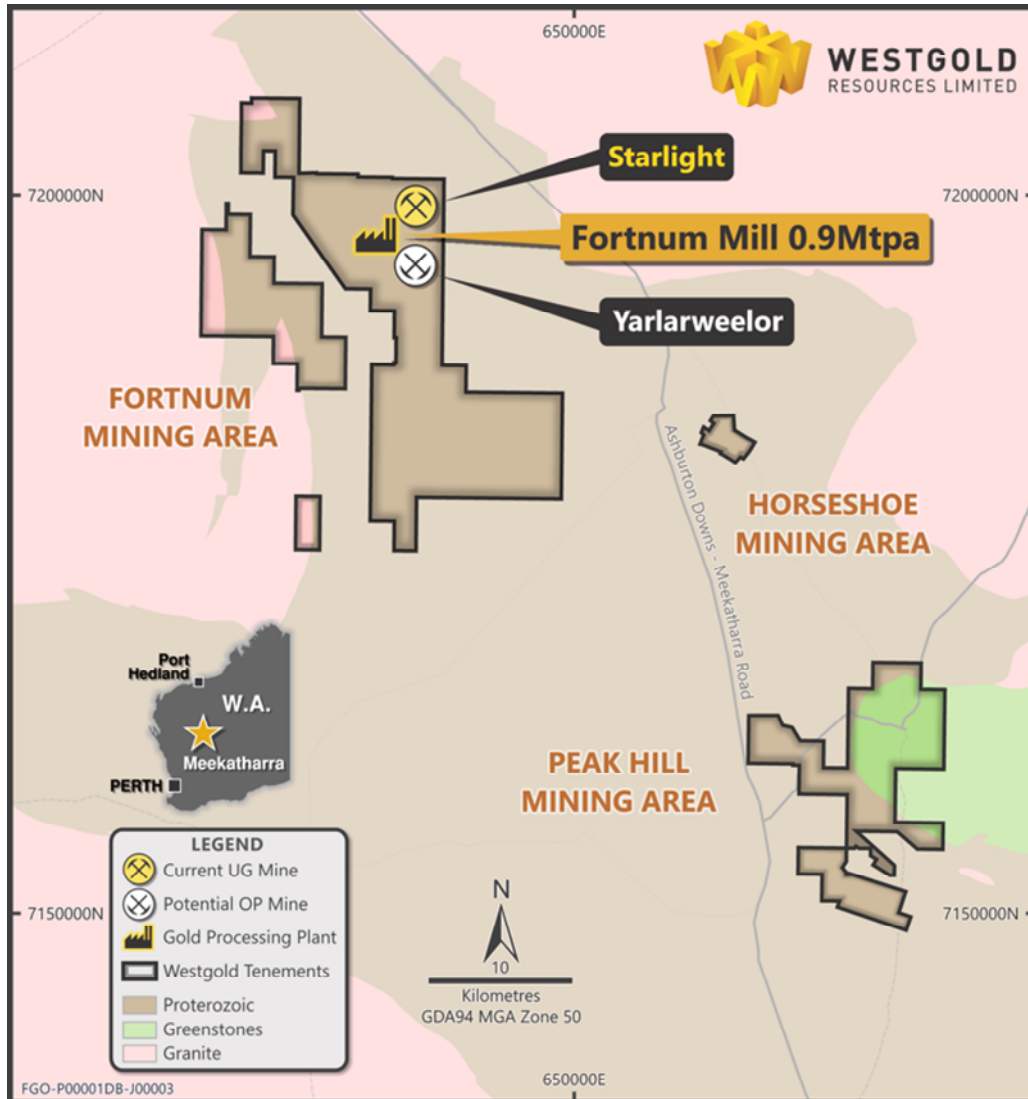


Figure 2.3: Westgold Fortnum Gold Operations

## 2.3 Mineral Resources and Ore Reserves Statement<sup>17</sup>

Westgold's Mineral Resources as at 30 June 2022 by region are set out below:

| Region             | Tonnes ('000s) | Grade       | Ounces Au ('000s) |
|--------------------|----------------|-------------|-------------------|
| <b>Measured</b>    |                |             |                   |
| Murchison          | 8,942          | 3.13        | 901               |
| Bryah              | 2,137          | 2.86        | 197               |
| <b>Sub-Total</b>   | <b>11,078</b>  | <b>3.08</b> | <b>1,097</b>      |
| <b>Indicated</b>   |                |             |                   |
| Murchison          | 45,722         | 2.21        | 3,249             |
| Bryah              | 14,042         | 1.85        | 836               |
| <b>Sub-Total</b>   | <b>59,764</b>  | <b>2.13</b> | <b>4,085</b>      |
| <b>Inferred</b>    |                |             |                   |
| Murchison          | 34,916         | 2.19        | 2,458             |
| Bryah              | 4,473          | 2.08        | 300               |
| <b>Sub-Total</b>   | <b>39,389</b>  | <b>2.18</b> | <b>2,758</b>      |
| <b>Total</b>       |                |             |                   |
| Murchison          | 89,579         | 2.29        | 6,608             |
| Bryah              | 20,651         | 2.01        | 1,332             |
| <b>Grand Total</b> | <b>110,231</b> | <b>2.24</b> | <b>7,940</b>      |

Westgold's Ore Reserves as at 30 June 2022 by region are set out below:

| Region             | Tonnes ('000s) | Grade       | Ounces Au ('000s) |
|--------------------|----------------|-------------|-------------------|
| <b>Proven</b>      |                |             |                   |
| Murchison          | 5,867          | 2.72        | 513               |
| Bryah              | 1,166          | 1.81        | 68                |
| <b>Sub-Total</b>   | <b>7,033</b>   | <b>2.57</b> | <b>581</b>        |
| <b>Probable</b>    |                |             |                   |
| Murchison          | 14,542         | 2.73        | 1,278             |
| Bryah              | 4,347          | 1.84        | 258               |
| <b>Sub-Total</b>   | <b>18,889</b>  | <b>2.53</b> | <b>1,536</b>      |
| <b>Total</b>       |                |             |                   |
| Murchison          | 20,410         | 2.73        | 1,791             |
| Bryah              | 5,512          | 1.84        | 325               |
| <b>Grand Total</b> | <b>25,922</b>  | <b>2.54</b> | <b>2,116</b>      |

Note: Westgold ordinarily provides annual updates to its Mineral Resource estimate in September each year. During the previous financial year there has been significant macroeconomic factors, including inflationary costs, affecting the mining industry in Western Australia, including Westgold. To the extent these macroeconomic factors have a material effect on Westgold, they may result in a downgrade to the Ore Reserves.

<sup>17</sup> Please refer to Sections 9.3(e) and 0 for further information.

## 2.4 Westgold Directors

Westgold's Directors have substantial experience acquiring, building and developing operating mines in Australia. The following persons are Directors of Westgold as at the date of this Bidder's Statement:

|                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Hon. Cheryl Edwardes AM</b><br>Non-Executive Chair | <p>Ms Edwardes is a highly credentialed and experienced company director and Chair. A solicitor by profession and former Attorney-General for Western Australia, Minister for Environment and Minister for Labour Relations. Ms Edwardes has extensive experience and knowledge of Western Australia's legal and regulatory framework relating to mining projects, environmental, native title, heritage and land access.</p> <p>During the past three years, she has also served as a director of the following public listed companies:</p> <ul style="list-style-type: none"><li>• Kalium Lakes Limited (appointed 25 November 2022);</li><li>• Flinders Mines Limited (appointed 17 June 2019);</li><li>• Nuheara Limited (appointed 2 January 2020); and</li><li>• Vimy Resources Limited (appointed 26 May 2014; resigned 4 August 2022).</li></ul>                                                                                                                                                                                                                                                                                           |
| <b>Wayne Bramwell</b><br>Managing Director            | <p>Mr Bramwell (BSc Extractive Metallurgy, Grad Dip Business, MSc (Min Econ)) is a metallurgist and mineral economist, experienced director and mining executive with extensive project and corporate development, executive management and governance expertise in precious and base metal companies spanning nearly three decades. He holds a Bachelor of Science in Extractive Metallurgy, a Graduate Diploma in Business, a Master of Science in Mineral Economics and is a graduate of the Australian Institute of Company Directors.</p> <p>During the past three years, he has served as a director of the following public listed companies:</p> <ul style="list-style-type: none"><li>• CZR Resources Limited (appointed 3 November 2020; resigned 19 February 2021);</li><li>• Azure Minerals Limited (appointed 14 October 2020; resigned 19 February 2021);</li><li>• Ardea Resources Limited (appointed 29 January 2018; resigned 3 July 2020);</li><li>• Vimy Resources Limited (appointed 18 October 2021; resigned 4 August 2022); and</li><li>• Deep Yellow Limited (appointed 4 August 2022; resigned 31 January 2023).</li></ul> |
| <b>Fiona Van Maanen</b><br>Non-Executive Director     | <p>Mrs Van Maanen is a CPA, holds a Bachelor of Business (Accounting) and a Graduate Diploma in Company Secretarial Practice. Mrs Van Maanen has significant experience in corporate governance, financial management and accounting in the mining and resources industry. Mrs Van Maanen serves on Westgold's Audit, Risk and Compliance Committee and Remuneration and Nomination Committee.</p> <p>During the past three years, she has served as a director of Pantoro Limited (appointed 4 August 2020).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

|                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Gary Davison</b><br>Non-Executive Director   | <p>Mr Davison (FAusIMM (CP)), is a highly regarded mining engineer with over 45 years of worldwide mining experience. Gary holds a Diploma in Engineering (Mining) and a Masters in Mineral and Energy Economics. He is also the Managing Director of Australia's premier mining consultancy Mining One Pty Ltd. Mr Davison serves on Westgold's Audit, Risk and Compliance Committee and Remuneration and Nomination Committee.</p> <p>During the past three years, he has served as a director of Nagambie Resources Ltd (appointed 15 May 2019).</p>                                                                                                                                                                                                                                                                                 |
| <b>Julius Matthys</b><br>Non-Executive Director | <p>Mr Matthys has substantial corporate experience having spent 36 years in the resources sector. He has held senior executive roles in large corporate entities including President of Worsley Alumina JV, Marketing Director at BHP Iron Ore, Alumina and Aluminium. Mr Matthys was previously Chair of gold producer Doray Minerals Limited, managing its merger with Silver Lake Resources. He currently serves as a Non-Executive Director of Quintis.</p> <p>Mr Matthys has not held any public company directorships in the past three years.</p>                                                                                                                                                                                                                                                                                |
| <b>David Kelly</b><br>Non-Executive Director    | <p>Mr Kelly is a geologist with 35 years' experience in exploration, operations management, mine planning, project evaluation, business development and project finance. Most recently he was employed by Resolute Mining Limited as Executive General Manager – Strategy and Planning, following 2 years as Chief Operating Officer.</p> <p>Prior to joining Resolute, Mr Kelly was a Director of Optimum Capital, an independent advisory house servicing junior and mid-tier miners. He previously worked with groups such as Consolidated Minerals Limited, WMC Resources Limited, Central Norseman Gold Corporation, NM Rothschild and Sons and Investec Australia and has held several non-executive directorships in mining and exploration companies, including Predictive Discovery, Renaissance Minerals and Turaco Gold.</p> |

## 2.5 Westgold management

Westgold has assembled a highly experienced executive management team to implement Westgold's strategy and business plans. Profiles of each member of Westgold's executive management team are set out below.

|                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Wayne Bramwell</b><br>Managing Director            | See Section 2.4 above.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Su Hau (Tommy) Heng</b><br>Chief Financial Officer | Mr Heng is a qualified Chartered Accountant and experienced finance and commercial professional with over 25 years of experience in the mining, logistics and services industries in a variety of senior finance and commercial leadership roles. He joined Westgold from fellow ASX gold miner Resolute Mining Limited where he held the position of General Manager Finance.                                                                                                                                                            |
| <b>Phillip Wilding</b><br>Chief Operating Officer     | Mr Wilding is a Mining Engineer (BEng Honours (Mining Engineering)) with over 18 years of experience in the industry. He has been with Westgold Group since 2013 in management positions at Trident, Paddy's Flat and Big Bell, GM for Cue Gold Operations, Group Projects Manager, GM Projects & Sustainability, then mid 2022, taking the position of Chief Operating Officer. Prior to this, Mr Wilding has worked throughout WA and NSW, gaining experience in a large variety of mining methods for underground and open pit mining. |
| <b>Lance Perry</b><br>Group General Counsel           | Mr Perry is a senior lawyer with over 25 years of experience (LLB and BSc(Agric) (First Class Honours)). He has worked in a top tier private practice at Clayton Utz Lawyers and as in-house counsel with a multi-national mining company, Alcoa of Australia Limited and an ASX50 company Mineral Resources Limited. Mr Perry is also a Fellow of the Governance Institute of Australia.                                                                                                                                                 |

|                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Susan Park</b><br>Company Secretary                                         | Ms Park is a governance professional with over 25 years' experience in the corporate finance industry and extensive experience in Company Secretary and Non-Executive Director roles in ASX, AIM and TSX listed companies. Ms Park holds a Bachelor of Commerce from the University of Western Australia, is a Member of the Australian Institute of Chartered Accountants, a Fellow of the Financial Services Institute of Australasia, a Graduate Member of the Australian Institute of Company Directors and a Graduate Member of the Governance Institute of Australia. She is currently Company Secretary of several ASX listed companies.                                                                                                                                                                          |
| <b>Simon Rigby</b><br>General Manager<br>Exploration & Growth                  | Mr Rigby has a Bachelor of Science (Geology Honours) from James Cook University and is a member of the Australian Institute of Geoscientists. He has over 30 years of international experience in mineral exploration and business development in numerous managerial roles including as a Managing Director and Non-Executive Director of several ASX-listed mining companies. Mr Rigby also has extensive experience as a technical advisor on acquisitions and divestments for mining companies, corporate advisory firms and investment banks. Mr Rigby will provide his significant geology and exploration expertise to the corporate project development and acquisition team, overseeing corporate standards for exploration and resource development and providing support to the operational geological teams. |
| <b>Melissa Wren</b><br>General Manager People<br>and Engagement                | Ms Wren has a Graduate Diploma HRM from Deakin University. She is an experienced human resources manager with a demonstrated history of working in the mining and metals industry, including experience in recruiting, human resources, workforce planning, remuneration and performance management.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Matthew Pilbeam</b><br>General Manager<br>Environment, Health and<br>Safety | Mr Pilbeam has a Post-Graduate Diploma in Environmental Health & Safety as he completes a Masters of EH&S from Edith Cowan University. He is a highly experienced and resourceful Executive Level People & EH&S Professional with a passion for ensuring business objectives are achieved. A demonstrated track record of high performance in managing people, systems, processes, and projects through the use of effective, pragmatic communication style to ensure the achievement of corporate objectives. He has extensive experience in delivering Business Management Systems and Learning & Development programs, Accident Investigation and implementation within industrial environments across various industries.                                                                                            |

## 2.6 Historical Financial Information

### (a) Basis of presentation

The historical information below has been taken from the audited financial statements of Westgold for the financial years ended 30 June 2021 and 30 June 2022 and the reviewed financial statements for the half year ended 31 December 2022. The full consolidated financial statements for the financial periods ended 30 June 2021, 30 June 2022 and 31 December 2022, including the notes to those financial statements, can be found in the corresponding annual reports or half year reports (as applicable) that are available at <https://www.westgold.com.au/site/investor-centre/annual-reports>.

The historical financial information set out in this Section is intended to provide an overview of Westgold's historical financial performance, position and cash flows, it shows the Westgold Group on a standalone basis and, accordingly, does not reflect any impact of the Offer. The historical financial information is not intended to provide the level of detail or understanding which is available from a review of the Westgold Group's published financial reports (which include the full financial accounts and the notes to those accounts) which are available on the ASX or Westgold's website.

(b) **Historical consolidated statement of financial position**

The historical information below has been taken from the audited financial statements of the Westgold Group for the financial years ended 30 June 2021 and 30 June 2022 and the reviewed financial statements for the half year ended 31 December 2022. The consolidated statement of financial position set out below should be read in conjunction with the accompanying notes to Westgold's FY21 Annual Report, FY22 Annual Report and HY23 Interim Report.

| <b>\$'000</b>                                          | <b>31 December 2022</b> | <b>30 June 2022</b> | <b>30 June 2021</b> |
|--------------------------------------------------------|-------------------------|---------------------|---------------------|
| <b>Current Assets</b>                                  |                         |                     |                     |
| Cash and cash equivalents                              | 143,581                 | 182,702             | 150,684             |
| Trade and other receivables                            | 6,727                   | 7,123               | 7,466               |
| Inventories                                            | 88,596                  | 96,082              | 59,129              |
| Prepayments                                            | 3,928                   | 5,427               | 4,036               |
| Other Financial Assets                                 | 4,149                   | 1,930               | 1,149               |
| <b>Total Current Assets</b>                            | <b>246,981</b>          | <b>293,263</b>      | <b>222,465</b>      |
| <b>Non-Current Assets</b>                              |                         |                     |                     |
| Financial assets at fair value through profit and loss | 6,374                   | 6,799               | 6,423               |
| Property, plant and equipment                          | 141,533                 | 147,916             | 166,748             |
| Mine properties and development                        | 268,748                 | 263,804             | 407,336             |
| Exploration and evaluation expenditure                 | 114,853                 | 104,577             | 89,739              |
| Right-of-use assets                                    | 7,323                   | 10,815              | 7,259               |
| <b>Total Non-Current Assets</b>                        | <b>538,832</b>          | <b>533,911</b>      | <b>677,505</b>      |
| <b>Total Assets</b>                                    | <b>785,813</b>          | <b>827,175</b>      | <b>899,970</b>      |
| <b>Current Liabilities</b>                             |                         |                     |                     |
| Trade and other payables                               | 71,653                  | 88,018              | 83,783              |
| Provisions                                             | 12,412                  | 13,066              | 11,405              |
| Interest bearing loans and borrowings                  | 20,700                  | 22,842              | 22,962              |
| <b>Total Current Liabilities</b>                       | <b>104,765</b>          | <b>123,926</b>      | <b>118,151</b>      |
| <b>Non-Current Liabilities</b>                         |                         |                     |                     |
| Provisions                                             | 68,625                  | 69,670              | 77,119              |
| Interest bearing loans and borrowings                  | 14,641                  | 20,118              | 22,114              |
| Deferred tax liabilities                               | 21,177                  | 25,694              | 75,227              |
| <b>Total Non-Current Liabilities</b>                   | <b>104,443</b>          | <b>115,481</b>      | <b>174,459</b>      |
| <b>Total Liabilities</b>                               | <b>209,208</b>          | <b>239,407</b>      | <b>292,610</b>      |
| <b>Net Assets</b>                                      | <b>576,605</b>          | <b>587,767</b>      | <b>607,360</b>      |
| <b>Equity</b>                                          |                         |                     |                     |
| Issued capital                                         | 463,233                 | 463,468             | 364,078             |
| (Accumulated losses)/retained earnings                 | (84,222)                | (73,079)            | 46,523              |

| <b>\$'000</b>                | <b>31 December 2022</b> | <b>30 June 2022</b> | <b>30 June 2021</b> |
|------------------------------|-------------------------|---------------------|---------------------|
| Share based payments reserve | 16,100                  | 15,885              | 15,266              |
| Other reserves               | 181,494                 | 181,494             | 181,494             |
| <b>Total Equity</b>          | <b>576,605</b>          | <b>587,767</b>      | <b>607,360</b>      |

(c) **Historical consolidated statement of comprehensive income**

The historical consolidated statement of comprehensive income of the Westgold Group set out below has been derived from Westgold's audited consolidated statement of comprehensive income for the financial years ended 30 June 2021 and 30 June 2022 and from the reviewed consolidated statement of comprehensive income for the half year ended 31 December 2022. The consolidated statement of comprehensive income set out below should be read in conjunction with the accompanying notes to Westgold's FY21 Annual Report, FY22 Annual Report and HY23 Interim Report.

| <b>\$'000</b>                                                  | <b>31 December 2022</b> | <b>30 June 2022</b> | <b>30 June 2021</b> |
|----------------------------------------------------------------|-------------------------|---------------------|---------------------|
| Revenue                                                        | 314,993                 | 647,577             | 571,170             |
| Cost of sales                                                  | (325,822)               | (620,301)           | (455,456)           |
| <b>Gross (loss)/profit</b>                                     | <b>(10,829)</b>         | <b>27,276</b>       | <b>115,714</b>      |
| Other income                                                   | 2,837                   | 4,663               | 2,292               |
| Gain on disposal of property, plant and equipment              | 3,969                   | -                   | -                   |
| Finance costs                                                  | (3,242)                 | (1,399)             | (347)               |
| Other expenses                                                 | (8,204)                 | (12,967)            | (10,882)            |
| Impairment of mine properties and property plant and equipment | -                       | (175,535)           | -                   |
| Net (loss)/gain on fair value changes of financial assets      | (425)                   | (2,014)             | 5,202               |
| Exploration and evaluation expenditure written off             | -                       | (110)               | (86)                |
| <b>(Loss)/profit before income tax expense</b>                 | <b>(15,895)</b>         | <b>(160,087)</b>    | <b>111,893</b>      |
| Income tax benefit/(expense)                                   | 4,752                   | 48,967              | (35,141)            |
| <b>Net (loss)/profit for the period</b>                        | <b>(11,143)</b>         | <b>(111,119)</b>    | <b>76,752</b>       |
| Other comprehensive income for the period, net of tax          | -                       | -                   | -                   |
| <b>Total comprehensive (loss)/profit for the period</b>        | <b>(11,143)</b>         | <b>(111,119)</b>    | <b>76,752</b>       |

(d) **Historical consolidated statement of cash flows**

The historical consolidated statement of cash flows of the Westgold Group set out below has been derived from Westgold's audited consolidated statement of cash flows the financial years ended 30 June 2021 and 30 June 2022 and from the reviewed statement of cash flows for the half year ended 31 December 2022. The consolidated statement of cash flows set out below should be read in conjunction with the accompanying notes to Westgold's FY21 Annual Report, FY22 Annual Report and HY23 Interim Report.

| <b>\$'000</b>                                          | <b>31 December 2022</b> | <b>30 June 2022</b> | <b>30 June 2021</b> |
|--------------------------------------------------------|-------------------------|---------------------|---------------------|
| <b>Operating Activities</b>                            |                         |                     |                     |
| Receipts from customers                                | 314,992                 | 647,576             | 570,971             |
| Interest received                                      | 1,462                   | 220                 | 334                 |
| Receipts from other income                             | 1,414                   | 3,081               | 1,957               |
| Payments to suppliers and employees                    | (264,358)               | (469,373)           | (322,934)           |
| Interest paid                                          | (910)                   | (1,649)             | (1,240)             |
| Income tax refund                                      | -                       | -                   | 53                  |
| <b>Net cash flows from operating activities</b>        | <b>52,600</b>           | <b>179,855</b>      | <b>249,142</b>      |
| <b>Investing Activities</b>                            |                         |                     |                     |
| Payments for property, plant and equipment             | (18,435)                | (37,739)            | (32,352)            |
| Payments for mine properties and development           | (57,203)                | (150,540)           | (182,396)           |
| Payments for exploration and evaluation                | (10,276)                | (18,190)            | (14,250)            |
| Payments for financial assets                          | -                       | (2,390)             | (5,986)             |
| Proceeds from sale of financial assets                 | -                       | -                   | 17,765              |
| Payments for performance bond facility                 | (2,500)                 | (781)               | -                   |
| Proceeds from performance bond facility                | 281                     | -                   | -                   |
| Proceeds from sale of property, plant and equipment    | 4,309                   | 8,631               | 3,413               |
| <b>Net cash flows used in investing activities</b>     | <b>(83,824)</b>         | <b>(201,009)</b>    | <b>(213,805)</b>    |
| <b>Financing Activities</b>                            |                         |                     |                     |
| Payment for hire purchase arrangements                 | (4,518)                 | (28,134)            | (22,245)            |
| Payment for lease liabilities                          | (3,378)                 | (9,037)             | (8,346)             |
| Proceeds from share issue                              | -                       | 100,800             | 8,374               |
| Proceeds from share issue costs                        | -                       | (4,133)             | -                   |
| Payments for dividends                                 | -                       | (6,325)             | -                   |
| <b>Net cash flows used in financing activities</b>     | <b>(7,896)</b>          | <b>53,171</b>       | <b>(22,218)</b>     |
| Net (decrease) / increase in cash and cash equivalents | (39,120)                | 32,017              | 13,119              |
| Cash and cash equivalents at beginning of the period   | 182,702                 | 150,684             | 137,565             |
| <b>Cash and cash equivalents at end of the period</b>  | <b>143,581</b>          | <b>182,702</b>      | <b>150,684</b>      |

(e) **Subsequent material changes to historical financial information**

There are no subsequent material changes to the historical financial information presented.

## **2.7 Corporate governance**

To the extent that they are applicable to Westgold, the Westgold Board has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations where the Westgold Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where, after due consideration, the Westgold Board's corporate governance practices depart from a recommendation, the Westgold Board has disclosed the reasons for the departure in its Corporate Governance Statement for the financial year ended 30 June 2022, a copy of which can be found in Westgold's Appendix 4G dated 21 October 2022.

Westgold's corporate governance policies are available on its website at <https://www.westgold.com.au/site/about-us/corporate-governance>.

## **2.8 Westgold is a disclosing entity**

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

ASX maintains files containing publicly disclosed information about all listed companies. Westgold's file is available for inspection at ASX during normal business hours. In addition, Westgold is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Westgold may be obtained from, or inspected at, an ASIC office. On request to Westgold and free of charge, Musgrave Shareholders may obtain a copy of:

- Westgold's FY22 Annual Report (being the annual financial report most recently lodged with ASIC before lodgement of this Bidder's Statement with ASIC);
- Westgold's FY23 Half Year Interim Report (being the latest half-year financial report lodged with ASIC before lodgement of this Bidder's Statement with ASIC); and
- any continuous disclosure notice given to ASX by Westgold since the lodgement with ASIC of Westgold's FY22 Annual Report referred to above and before the lodgement of this Bidder's Statement with ASIC.

A list of announcements made by Westgold to ASX during the period after the lodgement of Westgold's FY22 Annual Report on 21 October 2022 and before the issue of this Bidder's Statement is contained in Attachment A.

Further information about Westgold is available in electronic form from <http://www.westgold.com.au> and the ASX, [www.asx.com.au](http://www.asx.com.au).

### 3. Information on Westgold's securities

#### 3.1 Westgold's issued securities

As at the Announcement Date, Westgold's securities consist of:

| Class                               | Number on issue |
|-------------------------------------|-----------------|
| Fully paid ordinary Westgold Shares | 473,622,730     |
| Performance Rights                  | 4,438,946       |

#### 3.2 Westgold substantial shareholders

As at the Last Practicable Date prior to the date of this Bidder's Statement, based on substantial holder notices lodged with ASX, the substantial shareholders of Westgold are:

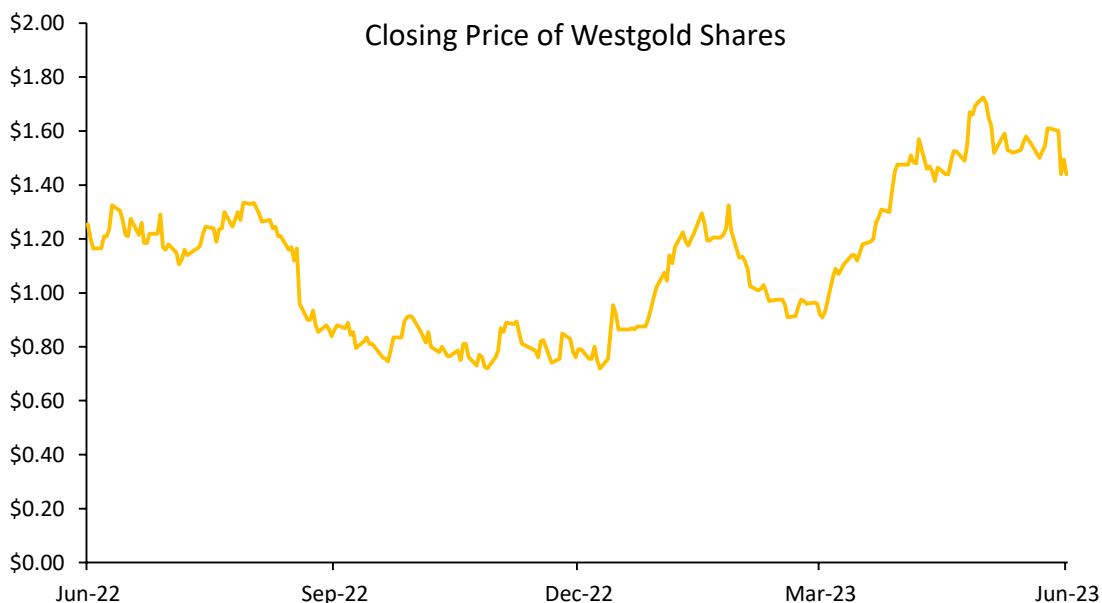
| Substantial Shareholder | Westgold Shares   | Voting Power |
|-------------------------|-------------------|--------------|
| L1 Capital Pty Ltd      | 46,836,362        | 9.89%        |
| <b>Total</b>            | <b>46,836,362</b> | <b>9.89%</b> |

#### 3.3 Recent trading of Westgold Shares

Westgold Shares are quoted on the ASX. Set out below is a table showing relevant trading prices of Westgold Shares on the ASX:

| Comparative trading price of Westgold Shares                                                                                                                                     | Price    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| VWAP of Westgold Shares on the ASX for the 10 trading days up to and including the Last Practicable Date prior to the date of this Bidder's Statement being lodged with ASIC     | \$1.518  |
| VWAP of Westgold Shares on the ASX for the 30 trading days up to and including the Last Practicable Date prior to the date of this Bidder's Statement being lodged with ASIC     | \$1.562  |
| Highest trading price of Westgold Shares in the 4 months up to and including the Last Practicable Date prior to the date of this Bidder's Statement being lodged with ASIC       | \$1.7425 |
| Lowest trading price of Westgold Shares in the in the 4 months up to and including the Last Practicable Date prior to the date of this Bidder's Statement being lodged with ASIC | \$0.895  |
| Closing trading price of Westgold Shares traded on the ASX on 2 June 2023, being the last trading day in Westgold Shares before the Announcement Date                            | \$1.610  |
| Closing trading price of Westgold Shares traded on the ASX on the Last Practicable Date prior to the date this Bidder's Statement was lodged with ASIC                           | \$1.440  |

The closing prices of Westgold Shares on the ASX over the 12 months prior to the date of this Bidder's Statement are shown in the chart below:



### 3.4 Dividend policy

Westgold has a DRP which provides eligible Westgold Shareholders with the option to elect to reinvest all or part of any dividends payable on their Westgold Shares to acquire further Westgold Shares.

Under the DRP Rules, the market price of a Westgold Share to be acquired under the DRP is calculated as the average of the daily VWAP of Westgold Shares sold on the ASX during the five trading days commencing on and including the trading day after the relevant dividend record date. A discount may be applied to the market price at the discretion of the Westgold Board from time to time.

As at the Announcement Date, Westgold does not intend to declare or pay any dividends in the immediately foreseeable future. However, it is the aim of Westgold that, in the longer term, its financial performance and position will enable the payments of further dividends.

Any future determination as to the payment of dividends by Westgold will be at the sole discretion of the Westgold Directors and will depend on the availability of distributable earnings and operating results and financial condition of Westgold, future capital requirements and general business and other factors considered relevant by the Westgold Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by Westgold.

### 3.5 Westgold's incentive plans

As at the date of this Bidder's Statement, Westgold has in operation the Employee Awards Plan, which was approved by Westgold Shareholders at a general meeting held on 25 November 2022, the terms and conditions of which are summarised in Westgold's notice of general meeting released to the ASX on 24 October 2022.

### 3.6 Rights and liabilities attaching to Westgold Shares

From their date of issue, the Westgold Shares to be issued pursuant to the Offer will rank equally with the existing Westgold Shares.

The rights and restrictions attaching to Westgold Shares are set out in Westgold's constitution and, in certain circumstances, are regulated by the Corporations Act, the ASX Listing Rules and general law. Under section 140(1) of the Corporations Act, the constitution of Westgold has effect as a contract between Westgold and each member and between a member of Westgold and each other member. Accordingly, if Musgrave Shareholders accept the Offer and are allotted Westgold Shares as consideration, they will become contractually bound to comply with the constitution of Westgold.

A summary of the principal rights attaching to Westgold Shares based is set out below. It does not purport to be exhaustive or to constitute a definitive statement of the rights attaching to Westgold Shares. Such rights involve complex questions of law arising from interaction of the Westgold constitution and statutory and common law requirements. Shareholders should seek their own advice when trying to establish their rights in specific circumstances.

(a) **Shares**

Westgold Shares can be issued with preferred, deferred or other special rights, or special restrictions in relation to dividends, voting, return of share capital, participation in the property of Westgold on a winding up or otherwise, as determined by Westgold's Board from time to time. The Westgold Board may allot, issue, cancel or otherwise dispose of shares to any persons, on any terms and conditions, at that issue price and at those times as the Westgold Board thinks fit.

The Westgold Board may make payments by way of brokerage or commission in respect of subscription for shares. Payments may be made in cash, by the issue and allotment of shares, whether fully or partly paid, the issue of debentures, or by a combination of those methods.

(b) **Alteration or variation of rights**

Subject to the Corporations Act, the ASX Listing Rules and the terms of issue of a class of Westgold Shares, all or any of the rights attached to any class of shares may be varied by the Westgold Board. Variation of shares by the Westgold Board will be with the written consent of Westgold Shareholders with at least 75% of the shares issued in that class, or with the approval of a special resolution passed at a meeting of holders of the shares of that class.

(c) **Calls, forfeiture and liens**

Subject to the Westgold constitution and the terms of issue of the Westgold Shares, the Westgold Board may make calls on the Westgold Shareholders for any money unpaid on their shares which is not by the terms of issue of those shares payable at fixed times. The Westgold Board may require a call to be paid in instalments.

Subject to the ASX Listing Rules and the ASX Settlement Operating Rules, if a Westgold Shareholder fails to pay the whole or part of a call by the time appointed for payment, the Westgold Board may serve a notice on that shareholder requiring payment of the unpaid amount with interest and for all costs, expenses or damages that Westgold incurred by reason of the non-payment or late payment of the call.

If a Westgold Shareholder does not comply with the notice provided by the Westgold Board, the shares which the notice relates may be forfeited by a resolution of the Westgold Board. This will include forfeiture of all dividends declared but not actually paid for the forfeited shares.

Westgold has a first and paramount lien on every share or partly paid share for unpaid calls and instalments on those shares. If the shares were acquired under an employee incentive scheme, any amount owing to Westgold for acquiring those shares and any amount Westgold is required by law to pay (and has paid) in respect of the share of a shareholder or deceased shareholder.

A lien extends to reasonable interest at any rates the Westgold Board may determine, and expenses incurred because the amount is not paid.

Westgold's lien on a share extends to all dividends payable and other monies payable for or in respect of the share, including the proceeds of sale of the share. Westgold may deduct or set-off against any dividends payable or other monies subject to Westgold's lien any monies due and payable to Westgold.

**(d) Share transfers**

Subject to Westgold's constitution and the rights or restrictions attached to any shares or class of shares, a Westgold Shareholder may transfer all or any shares by:

- a proper ASTC transfer; or
- an instrument in writing in any usual form or in any other form that the Westgold Board approve and must be signed by or on behalf of the transferor or as otherwise permitted by the Corporations Act. The instrument must be duly stamped (if necessary) and delivered to Westgold for registration.

The transferor of shares will remain the holder of the shares transferred until the transfer is:

- effected in accordance with the ASX Settlement Operating Rules; or
- registered and the name of the transferee is entered in the register of shareholders in respect of the shares.

Subject to the Westgold Board's powers under the Westgold constitution, where Westgold receives an instrument of transfer that complies with the Westgold constitution, Westgold must register the transferee named in the instrument as the holder of the shares to which it relates.

**(e) Meeting procedure**

Notice of every annual general meeting must be given in the manner provided by the Westgold constitution and the Corporations Act to the shareholders, the directors and the auditor of Westgold and while Westgold is a listed company, to the ASX. Two Westgold Shareholders who are entitled to vote on a resolution at the meeting must be present to constitute a quorum for a general meeting. If a quorum is not present within 30 minutes, any meeting convened on a requisition of shareholders is dissolved and any other meeting stands adjourned to the day, time and place the Westgold Board determines or if no determination is made by the Westgold Board, to the same day the next week at the same time and place.

The Westgold Board may convene a general meeting of Westgold whenever they think fit. It must be convened in accordance with section 249D of the Corporation Act.

**(f) Voting rights**

Each Westgold Shareholder has the right to receive notices of, and to attend, general meetings of Westgold.

Subject to the Westgold constitution and to any rights or restrictions attached to any shares or class of shares, at a general meeting:

- on a show of hands every shareholder present or who has cast a direct vote (including each holder of preference shares who has a right to vote) will have one vote;
- on a poll every shareholder present or who has cast a direct vote (including each holder of preference shares who has a right to vote) will have:

- one vote for each fully paid share held by that shareholder; and
- a fraction of a vote for each partly paid share held by the shareholder, equivalent to the proportion which the amount paid (not credited) on the share bears to the total amounts paid and payable (excluding amounts credited) on the share.

Voting may be in person or by proxy, attorney or representative.

**(g) Remuneration of directors**

Subject to Westgold's constitution and the ASX Listing Rules, Westgold in general meeting may from time to time determine the maximum aggregate remuneration to be provided to or for the benefit of the non-executive Directors of Westgold for services rendered.

Each Director of Westgold is entitled to remuneration out of the funds of Westgold as determined by the Westgold Board. The total remuneration of the non-executive Directors of Westgold may not exceed the amount fixed by the Westgold Board.

The remuneration may be:

- a stated salary or a fixed sum for attendance at each meeting of directors or both; or
- a share of a fixed sum determined by the Westgold Board in general meeting. The remuneration will be divided between the directors in the agreed proportion or, failing agreement, will be divided equally.

The Directors of Westgold are also entitled to be paid all traveling and other expenses incurred in connection with the affairs of Westgold, including attending and returning from general meetings, committee meetings or any meetings of the directors.

A Director of Westgold may be entitled to special remuneration in addition to or in substitution for that director's remuneration if the director renders or is called on to perform extra services or to make any special exertions in connection with the affairs of Westgold.

Shares may be provided to Westgold's non-executive Directors as part of their remuneration in accordance with the rules of any share plan for the remuneration of non-executive directors which has been approved by the Westgold Board in general meeting.

**(h) Interested directors**

A Westgold Director may hold any other office or place of profit, other than auditor, in Westgold or a related body corporate in conjunction with his or her directorship. A director may be appointed to that office or place of profit on the terms as to remuneration, tenure of office and otherwise as the directors think fit.

A Director of Westgold may be a director or other officer of:

- a related body corporate;
- a body corporate promoted by Westgold; or
- a body corporate in which Westgold is interested in as a shareholder or otherwise.

That Westgold Director will not be accountable to Westgold for any remuneration or other benefits they receive as a director or officer of that body corporate or from having an interest in that body corporate.

No contract made by a Director with Westgold and no contract or arrangement entered into by or on behalf of Westgold in which any director may be interested is avoided or rendered voidable merely because the director holds office as a director or because of the fiduciary obligations arising out of that office.

Subject to the Corporations Act and the ASX Listing Rules, a Westgold Director who is interested in a contract or arrangement or proposed contract or arrangement may, despite their interest:

- be counted in quorum at any meeting considering that contract or arrangement or proposed contract or arrangement;
- sign or countersign any document relating to the contract or arrangement or proposed contract or arrangement; and
- vote in respect of the contract or arrangement or proposed contract or arrangement.

(i) **Winding up**

Subject to Westgold's constitution and the rights or restrictions attached to any shares or class of shares, if Westgold is wound up and the property of Westgold is more than sufficient to pay:

- all of the debts and liabilities of Westgold; and
- the costs, charges and expenses of the winding up,

the excess must be divided among the Westgold Shareholders in proportion to the shares held by them, irrespective of the amounts paid or credited as paid on the shares unless otherwise determined by the liquidator with the sanction of a special resolution.

(j) **Dividends**

Subject to the Corporations Act, Westgold's constitution and the special conditions or rights attaching to any Westgold Shares, the Westgold Board may distribute the equity of Westgold amongst the Westgold Shareholders in proportion to the Westgold Shares held by them and in proportion to the amounts paid up on such Westgold Shares as at the date of declaration of the dividend. The Westgold Board may from time to time pay to Westgold Shareholders such interim dividends as appears to them to be justified by Westgold's equity.

The Board of Westgold may deduct from any dividend payable to any Westgold Shareholder all money, if any, presently payable by that shareholder to Westgold on account of a call or otherwise in relation to the Shares of Westgold.

## 4. Information on Musgrave

### 4.1 Disclaimer

The following information in this document about Musgrave has been prepared based on publicly available information. Accordingly, Westgold does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of this information and such information has not been independently verified.

The information on Musgrave in this Bidder's Statement should not be considered comprehensive. Certain information and risks in relation to Musgrave may exist in relation to which Westgold is unaware. Westgold and each of the Westgold Directors make no representation about the accuracy or otherwise of information published by Musgrave (including but not limited to the Mineral Resource and Ore Reserve statements).

In addition, the Corporations Act requires the Musgrave Directors to provide a Target's Statement to Musgrave Shareholders in response to this Bidder's Statement setting out certain material information concerning Musgrave.

### 4.2 Overview of Musgrave

Musgrave (ASX:MGV) is an Australian resources company focused on gold exploration and development. Musgrave's primary focus is the evaluation of the Cue gold project located in the Murchison Province of Western Australia. In addition, Musgrave holds a series of exploration licence applications in South Australia which have not progressed since application greater than 15 years ago.

Musgrave continues to grow the Cue gold project resource base through accelerated exploration and has recently completed a Stage 1 pre-feasibility study to investigate potential mining options.

### 4.3 Principal activities of Musgrave

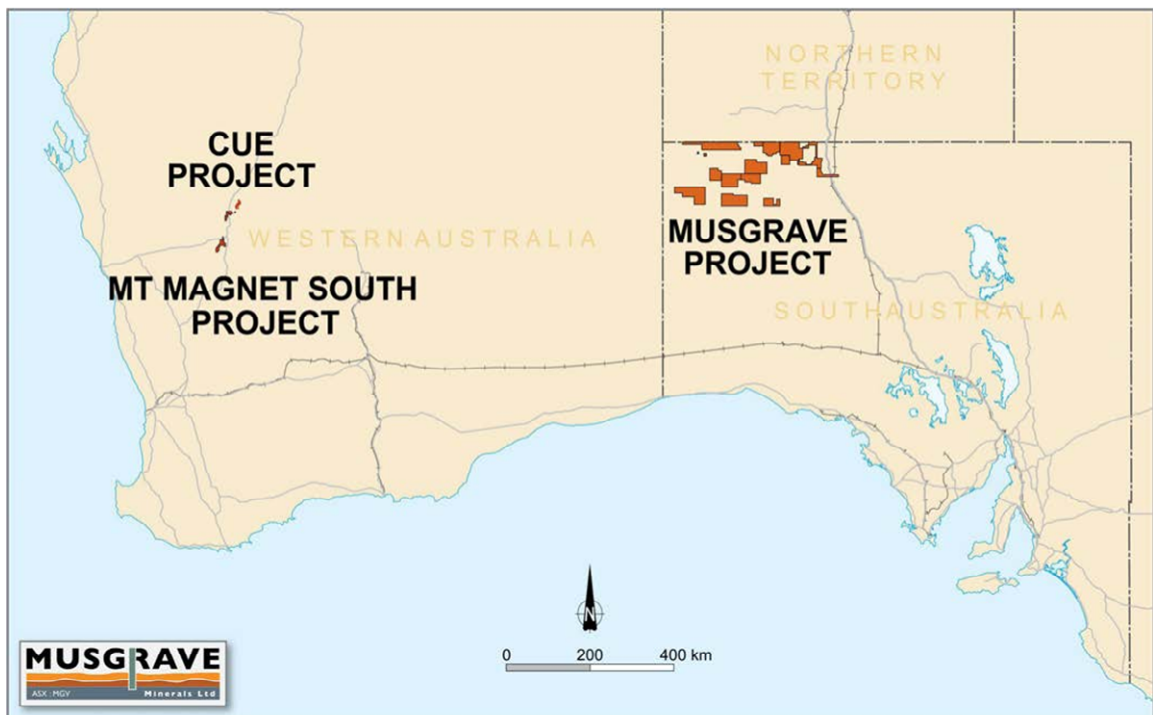


Figure 4.1: Musgrave Project Map

(a) **Cue Project**

The Cue Project consists of the Cue gold project southern area (subject of the April 2023, Stage 1 pre-feasibility study) and Hollandaire Copper/Gold northern area, in the highly prospective Murchison Province of Western Australia.

As at 31 May 2022, Musgrave's Cue gold project hosts a Mineral Resource of 12.3Mt @ 2.3g/t Au for 0.9Moz of contained gold.

Musgrave is party to an earn-in and exploration joint venture arrangement with Evolution Mining under which Evolution has the right to earn a 75% interest in the joint venture by sole funding a total of A\$18 million on exploration over a five year period at the Lake Austin project. Evolution satisfied this earn-in milestone on 12 January 2023. Accordingly, Musgrave holds a 25% interest in the Lake Austin joint venture. Under the joint venture, Musgrave has the right to contribute to ongoing exploration costs on a pro-rata basis to maintain its 25% interest following approval of a proposed exploration program and budget, or can elect to dilute.

In early 2023, Musgrave exercised an option to acquire 100% of the non-alluvial gold rights to the Mainland Project, directly adjacent to the 100% owned tenure at Cue.

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.

(b) **Mt Magnet South Project**

In March 2022, Musgrave Exploration Pty Ltd (a wholly owned subsidiary of Musgrave) entered into a sale and purchase agreement with Eastern Goldfields Exploration Pty Ltd to acquire 100% interest in 297km of tenure south of Mt Magnet, the Mt Magnet South Project.

The project area covers the southern extensions of the Hill 50 and Latecomer faults that are associated with the Hill 50, Galaxy and Morning Star gold deposits at Mt Magnet and has had very little historical drilling.

(c) **Musgrave Project**

Musgrave currently holds tenement applications in the central Musgrave province of South Australia. Musgrave has not undertaken significant activities on the Musgrave region tenements during 2023.

## 4.4 Musgrave's Mineral Resources

The consolidated Mineral Resource statement for Musgrave's operations as at 31 May 2022 is set out below:

| Deposit                               | Indicated Resources |              |                    | Inferred Resources |              |                    | Total Resources |              |                    |
|---------------------------------------|---------------------|--------------|--------------------|--------------------|--------------|--------------------|-----------------|--------------|--------------------|
|                                       | Tonnes '000s        | Au Grade g/t | Total oz. Au '000s | Tonnes '000s       | Au Grade g/t | Total oz. Au '000s | Tonnes '000s    | Au Grade g/t | Total oz. Au '000s |
| <b>Moyagee Break of Day Trend</b>     |                     |              |                    |                    |              |                    |                 |              |                    |
| Break of Day                          | 451                 | 12.1         | 176                | 346                | 7.7          | 86                 | 797             | 10.2         | 262                |
| White Heat Mosaic                     | 116                 | 14.1         | 52                 | 70                 | 5.8          | 13                 | 185             | 11.0         | 65                 |
| <b>Total High-Grade Trend</b>         | <b>567</b>          | <b>12.5</b>  | <b>228</b>         | <b>416</b>         | <b>7.4</b>   | <b>99</b>          | <b>982</b>      | <b>10.4</b>  | <b>327</b>         |
| <b>Moyagee Break of Day Trend</b>     |                     |              |                    |                    |              |                    |                 |              |                    |
| Lena                                  | 2,253               | 1.7          | 121                | 2,053              | 3.1          | 204                | 4,305           | 2.3          | 325                |
| Big Sky                               | 1,170               | 1.3          | 48                 | 3,480              | 1.1          | 125                | 4,650           | 1.2          | 173                |
| Leviticus                             |                     |              |                    | 42                 | 6.0          | 8                  | 42              | 6.0          | 8                  |
| Numbers                               | 438                 | 1.4          | 19                 | 378                | 1.3          | 16                 | 817             | 1.3          | 35                 |
| <b>Total Mid-Grade Trend</b>          | <b>3,861</b>        | <b>1.5</b>   | <b>188</b>         | <b>5,953</b>       | <b>1.8</b>   | <b>353</b>         | <b>9,815</b>    | <b>1.7</b>   | <b>541</b>         |
| <b>Total Moyagee (Southern Areas)</b> | <b>4,427</b>        | <b>2.9</b>   | <b>417</b>         | <b>6,369</b>       | <b>2.2</b>   | <b>452</b>         | <b>10,797</b>   | <b>2.5</b>   | <b>868</b>         |
| <b>Eelya</b>                          |                     |              |                    |                    |              |                    |                 |              |                    |
| *Hollandaire (Total)                  | 2,179               | 0.3          | 21                 | 605                | 0.4          | 8                  | 2,784           | 0.3          | 29                 |
| *Hollandaire (MGV Attributable)       | 436                 | 0.3          | 4                  | 121                | 0.4          | 2                  | 557             | 0.3          | 6                  |
| Hollandaire Gold Cap                  | 197                 | 1.3          | 9                  | 62                 | 1.2          | 2                  | 260             | 1.3          | 11                 |
| Rapier South                          |                     |              |                    | 258                | 1.7          | 14                 | 258             | 1.7          | 14                 |
| <b>Total Eelya</b>                    | <b>633</b>          | <b>0.6</b>   | <b>13</b>          | <b>441</b>         | <b>1.3</b>   | <b>18</b>          | <b>1,075</b>    | <b>0.9</b>   | <b>31</b>          |
| <b>Tuckabianna</b>                    |                     |              |                    |                    |              |                    |                 |              |                    |
| Jasper Queen                          |                     |              |                    | 332                | 1.7          | 19                 | 332             | 1.7          | 19                 |
| Gilt Edge                             | 69                  | 2.6          | 6                  | 34                 | 3.6          | 4                  | 102             | 2.9          | 10                 |
| <b>Total Tuckabianna</b>              | <b>69</b>           | <b>2.6</b>   | <b>6</b>           | <b>365</b>         | <b>1.9</b>   | <b>23</b>          | <b>434</b>      | <b>2.0</b>   | <b>28</b>          |
| <b>Total Northern Areas</b>           | <b>702</b>          | <b>0.8</b>   | <b>18</b>          | <b>806</b>         | <b>1.6</b>   | <b>41</b>          | <b>1,509</b>    | <b>1.2</b>   | <b>59</b>          |
| <b>Grand Total Cue Project</b>        | <b>5,129</b>        | <b>2.6</b>   | <b>435</b>         | <b>7,175</b>       | <b>2.1</b>   | <b>492</b>         | <b>12,306</b>   | <b>2.3</b>   | <b>927</b>         |

## 4.5 Musgrave's Directors

As at the date of this Bidder's Statement, the Directors of Musgrave are:

- Graham Ascough – Non-Executive Chair;
- Robert Waugh – Managing Director;
- Kelly Ross – Non-Executive Director;
- John Percival – Non-Executive Director; and
- Brett Lambert – Non-Executive Director.

Profiles of each of the Directors of Musgrave are available on Musgrave's website at <https://musgraveminerals.com.au/>.

## 4.6 Musgrave financial information

### (a) Basis of preparation

The historical information below has been taken from the audited financial statements of Musgrave for the financial years ended 30 June 2021 and 30 June 2022 and the reviewed financial statements for the half year ended 31 December 2022. The full consolidated financial statements for the financial periods ended 30 June 2021, 30 June 2022 and 31 December 2022, including the notes to those financial statements, can be found in the corresponding annual reports or half year reports (as applicable) that are available at <https://musgraveminerals.com.au/annual-reports/>.

The historical financial information set out in this Section is intended to provide an overview of Musgrave's historical financial performance, position and cash flows, it shows the Musgrave Group on a standalone basis and, accordingly, does not reflect any impact of the Offer. The

historical financial information is not intended to provide the level of detail or understanding which is available from a review of the Musgrave Group's published financial reports (which include the full financial accounts and the notes to those accounts) which are available on ASX or Musgrave's website.

(b) **Historical consolidated statement of financial position**

The historical information below has been taken from the audited financial statements of Musgrave for the financial years ended 30 June 2021 and 30 June 2022 and the reviewed financial statements for the half year ended 31 December 2022. The consolidated statement of financial position set out below should be read in conjunction with the accompanying notes to Musgrave's FY21 Annual Report, FY22 Annual Report and HY23 Interim Report.

| <b>\$'000</b>                        | <b>31 December 2022</b> | <b>30 June 2022</b> | <b>30 June 2021</b> |
|--------------------------------------|-------------------------|---------------------|---------------------|
| <b>Current Assets</b>                |                         |                     |                     |
| Cash and cash equivalents            | 14,608                  | 10,636              | 20,911              |
| Trade and other receivables          | 261                     | 337                 | 322                 |
| Other current assets                 | 20                      | 17                  | 13                  |
| <b>Total Current Assets</b>          | <b>14,889</b>           | <b>10,990</b>       | <b>21,246</b>       |
| <b>Non-Current Assets</b>            |                         |                     |                     |
| Financial assets                     | 637                     | 744                 | 1,577               |
| Property, plant and equipment        | 532                     | 565                 | 374                 |
| Right of use assets                  | 26                      | 70                  | 104                 |
| Exploration and evaluation assets    | 41,207                  | 36,538              | 26,010              |
| <b>Total Non-Current Assets</b>      | <b>42,403</b>           | <b>37,917</b>       | <b>28,064</b>       |
| <b>Total Assets</b>                  | <b>57,291</b>           | <b>48,907</b>       | <b>49,310</b>       |
| <b>Current Liabilities</b>           |                         |                     |                     |
| Trade and other payables             | 1,116                   | 1,913               | 971                 |
| Provisions                           | 259                     | 254                 | 203                 |
| Lease liabilities                    | 23                      | 62                  | 75                  |
| <b>Total Current Liabilities</b>     | <b>1,398</b>            | <b>2,230</b>        | <b>1,249</b>        |
| <b>Non-Current Liabilities</b>       |                         |                     |                     |
| Lease liabilities                    | -                       | 11                  | 39                  |
| <b>Total Non-Current Liabilities</b> | <b>-</b>                | <b>11</b>           | <b>39</b>           |
| <b>Total Liabilities</b>             | <b>1,398</b>            | <b>2,241</b>        | <b>1,288</b>        |
| <b>Net Assets</b>                    | <b>55,894</b>           | <b>46,666</b>       | <b>48,022</b>       |
| <b>Equity</b>                        |                         |                     |                     |
| Issued capital                       | 83,370                  | 73,438              | 72,740              |
| Reserves                             | 2,181                   | 1,866               | 2,581               |
| Accumulated losses                   | (29,657)                | (28,638)            | (27,299)            |
| <b>Total Equity</b>                  | <b>55,894</b>           | <b>46,666</b>       | <b>48,022</b>       |

(c) **Historical consolidated statement of profit or loss and other comprehensive income**

The historical consolidated statement of profit or loss and other comprehensive income of Musgrave set out below has been derived from Musgrave's audited consolidated statement of profit or loss and other comprehensive income for the financial years ended 30 June 2021 and

30 June 2022 and from the reviewed consolidated statement of profit or loss and other comprehensive income for the half year ended 31 December 2022. The consolidated statement of profit and loss and other comprehensive income set out below should be read in conjunction with the accompanying notes to Musgrave's FY21 Annual Report, FY22 Annual Report and HY23 Interim Report.

| <b>\$'000</b>                                                       | <b>31 December 2022</b> | <b>30 June 2022</b> | <b>30 June 2021</b> |
|---------------------------------------------------------------------|-------------------------|---------------------|---------------------|
| Revenue from continuing operations                                  | -                       | 57                  | 63                  |
| Other income                                                        | 72                      | 323                 | 274                 |
| Employee benefits expense                                           | (816)                   | (1,216)             | (2,594)             |
| Depreciation expense                                                | (89)                    | (164)               | (133)               |
| Finance costs                                                       | (3)                     | (10)                | (23)                |
| Other expenses                                                      | (185)                   | (573)               | (469)               |
| <b>Profit / (loss) before income tax expenses</b>                   | <b>(1,021)</b>          | <b>(1,583)</b>      | <b>(2,881)</b>      |
| Income tax benefit/(expense)                                        | -                       | -                   | -                   |
| <b>Profit / (loss) for the period</b>                               | <b>(1,021)</b>          | <b>(1,583)</b>      | <b>(2,881)</b>      |
| Equity instruments at fair value through other comprehensive income | (107)                   | (833)               | (369)               |
| <b>Total comprehensive profit / (loss) for the period</b>           | <b>(1,127)</b>          | <b>(2,416)</b>      | <b>(3,250)</b>      |

(d) **Historical consolidated statement of cash flows**

The historical consolidated statement of cash flows of Musgrave set out below has been derived from Musgrave's audited consolidated statement of cash flows the financial years ended 30 June 2021 and 30 June 2022 and from the reviewed statements of cash flows for the half year ended 31 December 2022. The consolidated statement of cash flows set out below should be read in conjunction with the accompanying notes to Musgrave's FY21 Annual Report, FY22 Annual Report and HY23 Interim Report.

| <b>\$'000</b>                                      | <b>31 December 2022</b> | <b>30 June 2022</b> | <b>30 June 2021</b> |
|----------------------------------------------------|-------------------------|---------------------|---------------------|
| <b>Cash Flows from Operating Activities</b>        |                         |                     |                     |
| Joint venture management fees                      | -                       | 320                 | 255                 |
| Payments to suppliers and employees                | (756)                   | (1,558)             | (1,220)             |
| Interest received                                  | 69                      | 56                  | 61                  |
| Interest paid                                      | (3)                     | (10)                | (23)                |
| Government grants received                         | -                       | -                   | 80                  |
| Net payments to joint venture partner              | (14)                    | (30)                | (58)                |
| <b>Net cash flows used in operating activities</b> | <b>(704)</b>            | <b>(1,222)</b>      | <b>(906)</b>        |
| <b>Cash Flows from Investing Activities</b>        |                         |                     |                     |
| Payments for property, plant and equipment         | (12)                    | (274)               | (358)               |

| <b>\$'000</b>                                          | <b>31 December 2022</b> | <b>30 June 2022</b> | <b>30 June 2021</b> |
|--------------------------------------------------------|-------------------------|---------------------|---------------------|
| Payments for exploration and evaluation                | (5,130)                 | (9,196)             | (6,987)             |
| <b>Net cash flows used in investing activities</b>     | <b>(5,142)</b>          | <b>(9,471)</b>      | <b>(7,345)</b>      |
| <b>Cash Flows from Financing Activities</b>            |                         |                     |                     |
| Proceeds from issue of shares                          | 10,117                  | -                   | 19,523              |
| Proceeds from exercise of options                      | 361                     | 504                 | 1,652               |
| Share issue costs                                      | (616)                   | (5)                 | (1,047)             |
| Lease principal repayments                             | (44)                    | (81)                | (90)                |
| <b>Net Cash Flows from Financing Activities</b>        | <b>9,818</b>            | <b>418</b>          | <b>20,039</b>       |
| Net increase / (decrease) in cash and cash equivalents | 3,972                   | (10,275)            | 11,788              |
| Cash and cash equivalents at beginning of the period   | 10,636                  | 20,911              | 9,123               |
| <b>Cash and Cash Equivalents at end of the Period</b>  | <b>14,608</b>           | <b>10,636</b>       | <b>20,911</b>       |

#### **4.7 Musgrave is a disclosing entity**

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

ASX maintains files containing publicly disclosed information about all listed companies. Musgrave's file is available for inspection at ASX during normal business hours. In addition, Musgrave is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Musgrave may be obtained from, or inspected at, an ASIC office. On request to Musgrave and free of charge, Musgrave Shareholders may obtain a copy of:

- Musgrave's FY22 Annual Report (being the annual financial report most recently lodged with ASIC before lodgement of this Bidder's Statement with ASIC);
- Musgrave's FY23 Half Year Interim Report (being the latest half-year financial report lodged with ASIC before lodgement of this Bidder's Statement with ASIC); and
- any continuous disclosure notice given to ASX by Musgrave since the lodgement with ASIC of Musgrave's FY22 Annual Report referred to above and before the lodgement of this Bidder's Statement with ASIC.

Further information about Musgrave is available in electronic form from <http://musgraveminerals.com.au> and the ASX, [www.asx.com.au](http://www.asx.com.au).

Further information about Musgrave will be contained in the Target's Statement.

## 5. Information on Musgrave securities

### 5.1 Musgrave securities on issue

According to documents provided by Musgrave to the ASX as at Last Practicable Date, the following securities in Musgrave are currently on issue:

| Class                                                           | Number on issue |
|-----------------------------------------------------------------|-----------------|
| Fully paid ordinary shares                                      | 591,207,949     |
| Options with a \$0.932 exercise price expiring 20 August 2023   | 6,330,000       |
| Options with various exercise prices expiring at various dates  | 10,000,000      |
| Options with a \$0.47 exercise price expiring 27 August 2024    | 500,000         |
| Options with a \$0.335 exercise price expiring 5 November 2025  | 4,150,000       |
| Options with a \$0.45 exercise price expiring 19 June 2025      | 2,500,000       |
| Options with a \$0.45 exercise price expiring 23 September 2024 | 1,470,000       |

### 5.2 Musgrave Options

Musgrave currently has in place an employee incentive plan. Under the terms of the plan, Musgrave may invite certain employees to participate in the plan and receive Musgrave Options.

Westgold understands that each of the Musgrave Options may be subject to certain vesting conditions and that the Musgrave Board may accelerate the vesting upon a change of control event. Vesting conditions may include conditions relating to continuing employment or service, the individual performance of the holder of the Musgrave Options or Musgrave's performance (such as total shareholder return).

Further details of the terms and conditions of the Musgrave Options are expected to be set out in the Target's Statement.

Westgold is not making a separate offer to holders of Musgrave Options. However, holders of Musgrave Options whose Musgrave Options are exercised into Musgrave Shares during the Offer Period will be able to accept the Offer in respect of the Musgrave Shares which they are issued.

As outlined above, Westgold understands the vesting of the Musgrave Options may be accelerated upon Westgold acquiring control of Musgrave and the Offer becoming unconditional, but Westgold considers it unlikely that (given the Musgrave Options are out of the money at the value of the Offer Consideration) the Musgrave Options will be 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.

### 5.3 Substantial shareholders of Musgrave

At the Last Practicable Date prior to the date of this Bidder's Statement, based on substantial shareholder notices lodged with ASX, the substantial holders of Musgrave are as follows:

| Substantial Shareholder | Musgrave Shares   | Voting power  |
|-------------------------|-------------------|---------------|
| Westminex Pty Ltd       | 50,016,159        | 9.31%         |
| Jetosea Pty Ltd         | 16,130,000        | 6.06%         |
| <b>Total</b>            | <b>66,146,159</b> | <b>15.37%</b> |

### 5.4 Recent trading of Musgrave Shares

Musgrave Shares are quoted on ASX. Set out below is a table showing relevant trading prices of Musgrave Shares on ASX:

| Comparative trading price of Musgrave Shares                                                                                                            | Price of Musgrave Shares |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Highest trading price in the 4 months up to and including the Last Practicable Date prior to the date of this Bidder's Statement being lodged with ASIC | \$0.325                  |
| Lowest trading price in the 4 months up to and including the Last Practicable Date prior to the date of this Bidder's Statement being lodged with ASIC  | \$0.165                  |
| Closing trading price on 2 June 2023, being the last trading day in Musgrave Shares before the Announcement Date                                        | \$0.240                  |
| Closing price of Musgrave Shares traded on the ASX on the Last Practicable Date prior to the date of this Bidder's Statement being lodged with ASIC     | \$0.305                  |

### 5.5 Dividend policy

No dividends have been paid on Musgrave Shares.

### 5.6 Musgrave employee incentive plan

The Musgrave Shareholders approved an employee incentive plan at the annual general meeting held on 8 November 2022, the terms and conditions of which are summarised in Musgrave's notice of annual general meeting released to the ASX on 7 October 2022.

### 5.7 Interests in Musgrave Shares

As at the date of this Bidder's Statement, Westgold's voting power in Musgrave was 2.48% and Westgold had a Relevant Interest in 14,676,045 Musgrave Shares.

## 5.8 Dealings in Musgrave Shares by Westgold

Except as described below, Westgold and its associates have not acquired or disposed of Musgrave Shares during the period of four months before the date of this Bidder's Statement.

| Date          | Number of Musgrave Shares | Description of dealing                                                                      |
|---------------|---------------------------|---------------------------------------------------------------------------------------------|
| 16 March 2023 | 281,717                   | On-market purchase of Musgrave Shares by Westgold at a price of \$0.175 per Musgrave Share  |
| 24 March 2023 | 4,000,000                 | On-market purchase of Musgrave Shares by Westgold at a price of \$0.1993 per Musgrave Share |
| 24 April 2023 | 57,675                    | On-market purchase of Musgrave Shares by Westgold at a price of \$0.225 per Musgrave Share  |
| 26 April 2023 | 609,523                   | On-market purchase of Musgrave Shares by Westgold at a price of \$0.220 per Musgrave Share  |
| 27 April 2023 | 4,275,101                 | On-market purchase of Musgrave Shares by Westgold at a price of \$0.220 per Musgrave Share  |

## 5.9 No collateral or other benefits

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

- accept the Offer; or
- dispose of Musgrave Shares,

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

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

- accept the Offer; or
- dispose of Musgrave Shares,

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

## 5.10 No escalation agreements

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

## **6. Intentions of Westgold**

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### **6.1 Introduction**

This Section sets out the intentions of Westgold relating to:

- the continuation of the business of Musgrave;
- any major changes to the business of Musgrave and any redeployment of the fixed assets of Musgrave;
- the future employment of the present employees of Musgrave; and
- the compulsory acquisition of Musgrave Shares and the removal of Musgrave from the official list of the ASX.

The intentions set out in this Section 6 represent the current intentions of Westgold as at the Announcement Date formed on the basis of facts and information concerning Musgrave and its business which are known to Westgold at the time of preparing this Bidder's Statement.

Westgold has not conducted due diligence on Musgrave. Accordingly, Westgold does not have detailed knowledge of all material information necessary to reach final decisions as to its intentions. Westgold will only reach final decisions in light of material facts and circumstances at the relevant time and following completion of the review of Musgrave's operations referred to below.

Accordingly, the statements set out in this Section are statements of current intentions only and may vary as new information becomes available or circumstances change.

### **6.2 Intentions upon acquiring 90% or more of Musgrave Shares**

If Westgold acquires a Relevant Interest in 90% or more of Musgrave Shares, it will become entitled to proceed to compulsory acquisition of outstanding Musgrave Shares in accordance with Part 6A.1 of the Corporations Act. In this circumstance, Westgold's current intentions are set out below.

#### **(a) Compulsory acquisition of Musgrave Shares and removal from official list**

If Westgold and its associates collectively have a Relevant Interest in at least 90% of Musgrave Shares during, or at the end of, the Offer Period, Westgold will give a notice pursuant to Part 6A.1 of the Corporations Act to compulsorily acquire all outstanding Musgrave Shares, even if Musgrave Shares to which those notices related are issued:

- after the Offer closes but before notices are given (pursuant to section 661A(4)(b) of the Corporations Act); or
- on exercise of Musgrave Options, up to 6 weeks after the notices are given (pursuant to section 661A(4)(c) of the Corporations Act).

If not all of the Musgrave Options are exercised or acquired by Westgold and Westgold is entitled to compulsorily acquire any outstanding Musgrave Shares, Westgold intends to compulsorily acquire any outstanding Musgrave Options pursuant to Part 6A.2 of the Corporations Act, although it reserves its right to not do so.

Musgrave Shareholders should consult their legal advisors for a determination of their legal rights with respect to any compulsory acquisition.

The income tax consequences to a Musgrave Shareholder of a compulsory acquisition may differ from the income tax consequences to such Musgrave Shareholder accepting the Offer.

At the conclusion of the compulsory acquisition process, Westgold intends to arrange for Musgrave to be removed from the official list of the ASX.

**(b) Musgrave Board**

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

**(c) General operational review**

After the end of the Offer Period, Westgold intends to conduct an immediate, broad-based review of Musgrave's operations on both a strategic and financial level with a view to integrating Musgrave's operations into Westgold's operational and corporate structure.

In the course of this review, Westgold intends to focus on a number of specific areas including (but not limited to):

- review of the Musgrave exploration database and expenditure requirements and integration with Westgold's exploration activities;
- closure of the Musgrave head office in Perth and integration of the activities and certain employees from this office into Westgold's office in Perth and at Westgold's Cue gold operations where appropriate. Integration of roles may involve some employee redundancies. Any employees that are made redundant as a result of the Offer would be paid their full entitlements, subject to the terms of their employment;
- review of Musgrave's Mineral Resource estimates and the assumptions made in developing these estimates. It is expected that Westgold will re-estimate the Musgrave Mineral Resources using the same estimation practices and assumptions used by Westgold at its Murchison and Bryah operations. This review could lead to a downgrade of the Musgrave Mineral Resource estimates; and
- finalise mining and processing technical studies in relation to the Musgrave Mineral Resources to determine the best pathway to develop the Cue gold project in a timely manner.

Westgold also intends to commence processing Musgrave's Cue gold project resources and has the operational flexibility to process that ore through the Tuckabianna and/or Bluebird processing facility. Westgold will determine the best utilisation of each of its processing facilities, Tuckabianna and Bluebird, and economic outcome. Any future decision in respect to the processing of the Combined Group's resources will be subject to the risks associated with operating a producing mining operation. Refer to Section 9 for further details.

### **6.3 Intentions upon acquiring 50.1% or more of the Musgrave Shares**

This Section describes Westgold's intentions if it were to acquire a Relevant Interest in at least 50.1% but less than 90% of Musgrave Shares on issue.

Westgold expects that each of its nominees to the Musgrave Board will exercise their own independent judgement and skill when it comes to operational, financial and business decisions relating to Musgrave. Westgold's only influence will be through its position as a majority shareholder in Musgrave.

Westgold's intentions for Musgrave as a part owned controlled entity are as follows.

(a) **Musgrave Board**

Subject to the Corporations Act and Musgrave's constitution, Westgold intends to seek to replace some of the members of the Musgrave Board so that Westgold nominees constitute at least a majority of the members of the Musgrave Board. No decision has been made at this stage about the identity of the proposed nominees to the Musgrave Board or which current Musgrave Directors would be removed.

Westgold will seek, to the extent possible through its nominees on the Musgrave Board, to implement the intentions detailed in this Section 6.3 where they are consistent with Musgrave being a controlled entity of (but not wholly-owned by) Westgold and are considered to be in the best interests of Musgrave Shareholders as a whole.

Westgold would consider (but not necessarily comply with) the recommendations in the ASX Corporate Governance Principles and Recommendations when determining the composition of the Musgrave Board.

(b) **General strategic and operational review**

After the end of the Offer Period, Westgold intends to propose to the Musgrave Board that an immediate, broad-based review of Musgrave's operations be conducted on both a strategic and financial level, along similar lines to that described in Section 6.2(c) above, including commencement of the necessary technical studies required to determine the best pathway to develop the Cue gold project, environmental baseline studies (hydrology, flora and fauna) and assessment of heritage and cultural impact at the Cue gold project.

Following the general strategic and operational review process, the executive management of Musgrave may be enhanced or supplemented by Westgold, with a view to ensuring that Musgrave has the best possible skills and resources available to undertake its business.

Westgold also intends to procure (to the extent possible) the processing of Musgrave's Cue gold project resources and has the operational flexibility to process that ore through the Tuckabianna and/or Bluebird processing facility. Westgold will determine the best utilisation of each of its processing facilities, Tuckabianna and Bluebird, and economic outcome. Any future decision in respect to the processing of the Combined Group's resources will be subject to the risks associated with operating a producing mining operation. Refer to Section 9 for further details.

(c) **Listing on ASX**

Westgold intends, subject to satisfying the relevant preconditions, to remove Musgrave from the official list of the ASX.

In relation to the removal of Musgrave from the official list of the ASX, ASX guidance indicates that the usual conditions that the ASX would expect to be satisfied in order for it to approve the removal of Musgrave from the official list in the context of a successful takeover bid include:

- at the end of the Offer, Westgold owns or controls at least 75% of the Musgrave Shares and the Offer has remained open for at least two weeks after Westgold attained ownership or control of at least 75% of the Musgrave Shares; and
- the number of Musgrave Shareholders (other than Westgold) having holdings with a value of at least \$500 is fewer than 150, and in such case, the ASX will not usually require Westgold to obtain Musgrave Shareholder approval for Musgrave's removal from the official list of the ASX.

In addition, the ASX may approve an application for Musgrave to be removed from the official list of the ASX with shareholder approval and, where such removal is sought later than one month after the close of the Offer, Westgold would be entitled to vote on the resolution approving the removal.

If Musgrave is removed from the official list of the ASX, there may be risks related to remaining as a minority shareholder in Musgrave. These include reduced or non-existent liquidity if shareholders wish to sell their Musgrave Shares.

**(d) Further acquisition of Musgrave Shares**

Westgold may, at some later time, acquire further Musgrave Shares in a manner consistent with the Corporations Act and any other applicable laws.

**(e) Subsequent acquisition of interest in Musgrave**

It is possible that even if Westgold is not entitled to proceed to compulsory acquisition of minority holdings after the end of the Offer Period under Part 6A.1 of the Corporations Act, it may subsequently become entitled to exercise rights of general compulsory acquisition under Part 6A.2 of the Corporations Act; for example, as a result of acquisitions of Musgrave Shares in reliance on the “3% creep” exception in item 9 of section 611 of the Corporations Act. If so, it may exercise those rights.

**6.4 Intentions if Westgold does not acquire 50.1% of Musgrave Shares**

Westgold reserves its right to declare the Offer free from the Minimum Acceptance Condition (or any other Offer Condition). However, it has made no decision as to whether it will do so.

This Section 6.4 describes Westgold's intentions if it were to declare the Offer free from the Minimum Acceptance Condition and if Musgrave does not become a controlled entity of Westgold.

In that circumstance:

- Westgold does not expect to be in a position to give effect to the intentions set out in Sections 6.2 and 6.3 of this Bidder's Statement;
- Westgold's current intention is to continue to hold any Musgrave Shares acquired with a view to maximising returns for Westgold's Shareholders (this may result in Westgold and its associates acquiring additional shares, to the extent permitted by law);
- Westgold will re-optimize the available ore sources for each of its processing facilities at Tuckabianna and Bluebird. Westgold has the operational flexibility to haul ore from Meekatharra to Cue (or vice versa) and has done so in the past. Westgold also has three mines in care and maintenance which could be brought back online in the future, which together with the Great Fingall development project may be used to supplement future ore supply. There are currently owned open pit resources (including Aladdin, Tuckabianna West, Indicator/Accelerator, Yellow Taxi and/or Cuddingwarra) that are being re-optimised. Any future decision in respect to the processing of Westgold's resources will be subject to the risks associated with operating a producing mining operation. Refer to Section 9 for further details.

**6.5 Limitations on intentions**

**(f) Director's duties**

The ability of Westgold to implement the intentions set out in Sections 6.2, 6.3 and 6.4 will be subject to the duties and legal obligations of Musgrave Directors (including any nominees of Westgold), which will require those Musgrave Directors to have regard to the interests of Musgrave and all Musgrave Shareholders.

(g) **Shareholder protections**

The implementation of Westgold's intentions set out in Sections 6.2, 6.3 and 6.4 will be subject to:

- the level of voting power Westgold has in Musgrave; and
- the Corporations Act including, without limitation, any applicable Shareholder Protections.

The extent of Westgold's ultimate shareholding in Musgrave (at the close of the Offer) will determine the regulatory requirements for, and other practical matters associated with, implementing Westgold's intentions. By way of illustration:

- If Westgold acquires voting power in Musgrave equal to 50% or less, it may not be in a position to determine alone the outcome of ordinary resolutions (in respect of which it is entitled to vote) and so, for example, it may not be in a position to control the composition of the Musgrave Board. This means that Westgold's ability to undertake the strategic review may be limited, and (assuming it is able to undertake the strategic review) its ability to realise the proposed outcomes of that strategic review may be similarly constrained.
- If Westgold acquires voting power in Musgrave equal to more than 50% (but less than 90%), it will be able to solely determine the outcome of ordinary resolutions (in respect of which it is entitled to vote) and will be in a position to control the composition of the Musgrave Board. However, in these circumstances, the Shareholder Protections will continue to apply and again may constrain Westgold's ability to realise the proposed outcomes of the strategic review.
- If Westgold acquires at least 75% of Musgrave Shares (but again less than 90%), it will also be able to determine alone the outcome of special resolutions (in respect of which it is entitled to vote). Such special resolutions could involve amendments to the Musgrave constitution or a change to company type. However, again, the Shareholder Protections will continue to apply.
- If during, or at the end of, the Offer Period:
  - Westgold and its associates together have relevant interests in at least 90% (by number) of all the Musgrave Shares; and
  - Westgold and its associates have acquired at least 75% (by number) of the Musgrave Shares under the Offer (whether the acquisition happened under the Offer or otherwise),

Westgold will be entitled to compulsorily acquire all outstanding Musgrave Shares and presently intends to do so. Following completion of such compulsory acquisition process, Musgrave would be a wholly owned subsidiary of Westgold, and Westgold would be entitled to exercise its rights as the sole shareholder of Musgrave. However, in circumstances where a Musgrave Shareholder or Musgrave Shareholders held more than 10% in aggregate of all the Musgrave Shares, that compulsory acquisition would not be possible. As at the Announcement Date, there is at least two Musgrave Shareholders who control more than 10% of all the Musgrave Shares in aggregate, and these Musgrave Shareholders are therefore capable of blocking compulsory acquisition if they choose not to accept the Offer.

Westgold's ability, therefore, to achieve some of its intentions, including those intentions concerning project development, might not be able to be realised, either at all or without the approval of Musgrave Shareholders in general meeting. As a result of the Shareholder

Protections, Westgold and its associates may also be excluded from voting on certain resolutions in general meeting, and any nominee directors appointed by Westgold may potentially be precluded from voting at Musgrave Board meetings, to the extent of any conflict of interest or material personal interest.

Further, in circumstances where a minority shareholder maintains a "blocking stake" or other substantial holding in Musgrave which provides them with a significant proportion of the Musgrave Shares which are not held by Westgold, then that shareholder's ability to determine the outcome of any such resolutions put to Musgrave Shareholders in general meeting may be disproportionate to its holding (for example, where that shareholder's holding in Musgrave is such that they alone could determine whether a resolution is passed or not, in circumstances where Westgold and its associates are excluded from voting on that resolution).

## 7. Information on the Combined Group

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### 7.1 Overview of the Combined Group

Following successful completion of the Offer, Musgrave Shareholders will become shareholders in a financially stronger operating company with enhanced scale, market relevance and trading liquidity. The Combined Group is expected to have:

- a pro-forma market capitalisation of approximately \$940 million<sup>18</sup>;
- a strong balance sheet of approximately \$180 million in cash and liquid assets<sup>19</sup>;
- an expanded and diversified portfolio of direct ownership and strategic investments in exploration and operating assets, with a key focus within the Murchison and Bryah regions of Western Australia;
- approximately 8.8Moz of Mineral Resources;<sup>20</sup>
- a focus on growth through unlocking Musgrave's Mineral Resources by offering a near term pathway to production via two processing solutions in the 1.4Mtpa Tuckabianna mill and 1.8Mtpa Bluebird mill located 40km and 120km north, respectively;
- increased mining and milling efficiencies by providing high-grade shallow ore to feed the Bluebird and/or Tuckabianna mills;
- potential to increase annual production to 290 - 300koz of gold with the addition of Musgrave ore<sup>21</sup>; and
- an experienced and highly qualified management and exploration team with a proven track record of advancing exploration projects to production, based in Western Australia, with the skills, infrastructure, and balance sheet to advance this portfolio efficiently and effectively.

The strategic benefits above assume Westgold achieves 100% ownership of Musgrave. These strategic benefits may not be achievable or may only be achievable to a lesser degree at lower levels of Musgrave ownership in Musgrave.

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<sup>18</sup> Pro-forma market capitalisation based on Westgold's share price of \$1.61 (as at 2 June 2023 being the last undisturbed trading day) multiplied by Westgold's pro-forma ordinary shares including shares issued to Musgrave Shareholders

<sup>19</sup> Combined Group cash and liquid assets based on Westgold and Musgrave last reported cash and liquid positions as at 31 March 2023. Refer to the company Quarterly Reports.

<sup>20</sup> Please refer to Sections 2.3, 9.3(e) and 0 for further information.

<sup>21</sup> The information in relation to the production guidance is extracted from the Westgold announcement "Westgold delivers FY22 and releases guidance for FY23" dated 26 August 2022. Westgold confirms that all material assumptions underpinning the production target, or the forecast financial information derived from the production target, in the announcement continue to apply and have not materially changed. There is a low 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. The stated production target is based on Westgold's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met. The information in this Bidder's Statement about Musgrave has been prepared based on publicly available information. Accordingly, Westgold does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. In particular, Westgold has not independently verified the information relating to Musgrave's Mineral Resources contained in this document. Please refer to Musgrave's announcement released to ASX on 31 May 2022 entitled "Cue Mineral Resources increases to 927,000 ounces" for further details and for the Competent Person's Statement relating to Musgrave's Mineral Resources.

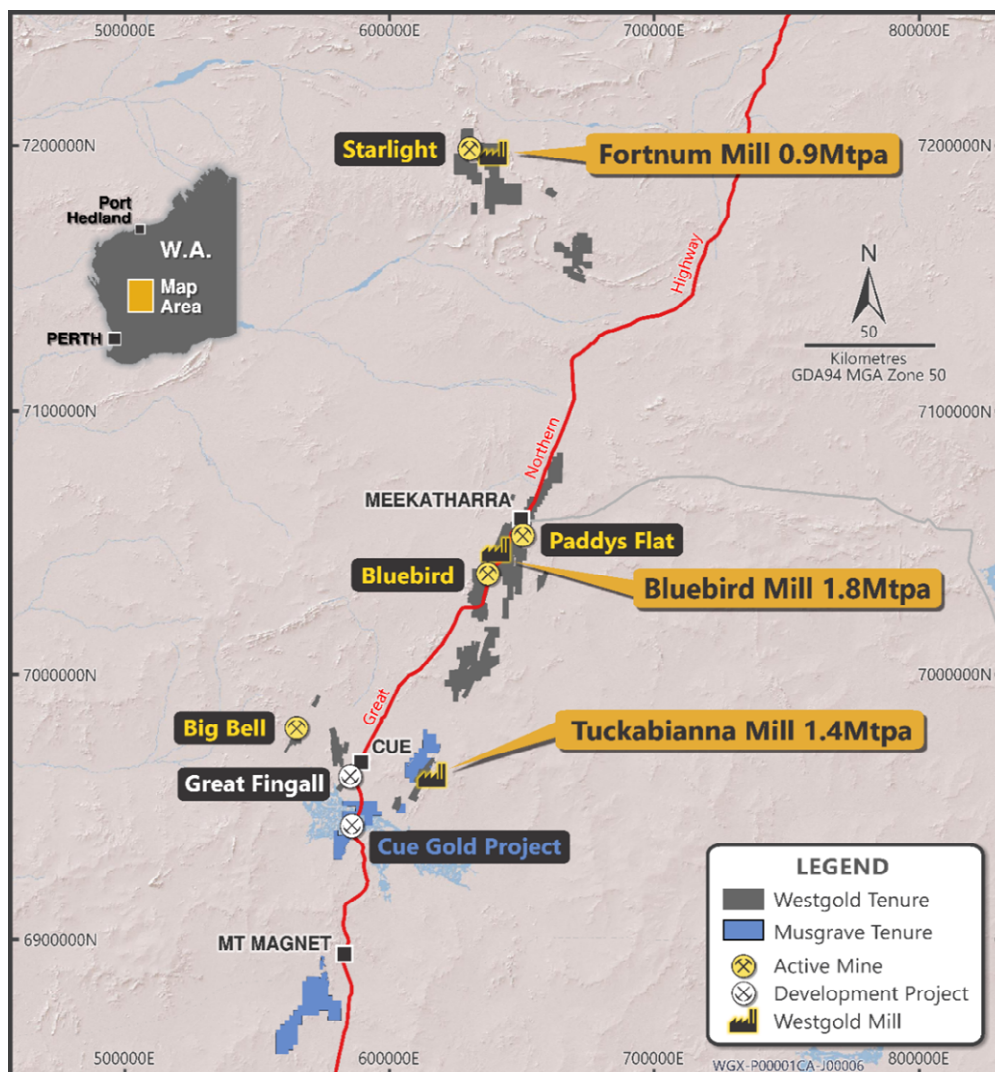


Figure 6.1: Map showing the location of Western Australian assets of the Combined Group

## 7.2 Strategic and operational review

As detailed in Sections 6.2 and 6.3, Westgold intends to undertake a strategic, financial and operational review with respect to Musgrave's operations as outlined in that Section.

The outcome of this review has the potential to identify synergies that may result in cost savings for the Combined Group.

## 7.3 Effect of the Offer on the Combined Group's Mineral Resources and Ore Reserves

If the Offer is successful, the Combined Group will have an approximate 8.8Moz Mineral Resource. As detailed in this Bidder's Statement:

- Westgold has a Mineral Resource of 110Mt @ 2.2g/t Au for 7.9Moz of contained gold and an Ore Reserve of 26Mt @ 2.5g/t Au for 2.1Moz of contained gold<sup>22</sup>; and
- Musgrave has a Mineral Resource of 12.3Mt @ 2.3g/t Au for 0.9Moz of contained gold.

<sup>22</sup> Please refer to Sections 2.3, 9.3(e) and 0 for further information.

Aggregating the currently reported Mineral Resources and Ore Reserves of the two companies gives a combined Mineral Resources of 122.3Mt @ 2.2g/t Au for 8.8Moz of contained gold and an Ore Reserve of 26Mt @ 2.5 g/t for 2.1Moz of contained gold. The Combined Group Mineral Resources as at 30 June 2022 is set out below:

| Region             | Tonnes ('000s) | Grade       | Ounces Au ('000s) |
|--------------------|----------------|-------------|-------------------|
| <b>Measured</b>    |                |             |                   |
| Murchison          | 8,942          | 3.13        | 901               |
| Bryah              | 2,137          | 2.86        | 197               |
| <b>Sub-Total</b>   | <b>11,078</b>  | <b>3.08</b> | <b>1,097</b>      |
| <b>Indicated</b>   |                |             |                   |
| Murchison          | 50,851         | 2.26        | 3,684             |
| Bryah              | 14,042         | 1.85        | 836               |
| <b>Sub-Total</b>   | <b>64,893</b>  | <b>2.17</b> | <b>4,520</b>      |
| <b>Inferred</b>    |                |             |                   |
| Murchison          | 42,091         | 2.18        | 2,950             |
| Bryah              | 4,473          | 2.08        | 300               |
| <b>Sub-Total</b>   | <b>46,564</b>  | <b>2.18</b> | <b>3,250</b>      |
| <b>Total</b>       |                |             |                   |
| Murchison          | 101,884        | 2.31        | 7,535             |
| Bryah              | 20,651         | 2.01        | 1,332             |
| <b>Grand Total</b> | <b>122,535</b> | <b>2.26</b> | <b>8,867</b>      |

The Combined Group Ore Reserves as at 30 June 2022 is set out below:

| Region             | Tonnes ('000s) | Grade       | Ounces Au ('000s) |
|--------------------|----------------|-------------|-------------------|
| <b>Proven</b>      |                |             |                   |
| Murchison          | 5,867          | 2.72        | 513               |
| Bryah              | 1,166          | 1.81        | 68                |
| <b>Sub-Total</b>   | <b>7,033</b>   | <b>2.57</b> | <b>581</b>        |
| <b>Probable</b>    |                |             |                   |
| Murchison          | 14,542         | 2.73        | 1,278             |
| Bryah              | 4,347          | 1.84        | 258               |
| <b>Sub-Total</b>   | <b>18,889</b>  | <b>2.53</b> | <b>1,536</b>      |
| <b>Total</b>       |                |             |                   |
| Murchison          | 20,410         | 2.73        | 1,791             |
| Bryah              | 5,512          | 1.84        | 325               |
| <b>Grand Total</b> | <b>25,922</b>  | <b>2.54</b> | <b>2,116</b>      |

However, as detailed in Sections 6.2 and 6.3, Westgold intends to re-estimate the Musgrave Mineral Resources using the same estimation practices and assumptions used by Westgold at its projects. During the previous financial year there has been significant macroeconomic factors, including inflationary costs, affecting the mining industry in Western Australia, including Westgold and Musgrave. To the extent these macroeconomic factors have a material effect on Westgold and Musgrave, they may result in a downgrade to the Mineral Resources and Ore Reserves of the Combined Group.

## 7.4 Combined Group capital structure

Under the Offer, Westgold is offering to issue Westgold Shares to Musgrave Shareholders. The actual number of Westgold Shares on issue at completion of the Offer will depend on the level of acceptances of the Offer and the number of Musgrave Options that are exercised into Musgrave Shares during the Offer Period.

The potential effect of the Offer on Westgold's capital structure, assuming Westgold acquires 100% of Musgrave (assuming the Musgrave Options are not exercised during the Offer Period) is as follows:

| Capital structure of the Combined Group | Number held by Westgold Shareholders | Number held by Musgrave Shareholders | Total for Combined Group |
|-----------------------------------------|--------------------------------------|--------------------------------------|--------------------------|
| Westgold Shares                         | 473,622,730                          | 110,094,590                          | 583,717,320              |
| Options                                 | Nil                                  | Nil                                  | Nil                      |
| Performance rights                      | 4,438,946                            | Nil                                  | 4,438,946                |
| <b>Total</b>                            | <b>478,061,676</b>                   | <b>110,094,590</b>                   | <b>588,156,266</b>       |
| Diluted percentage                      | 81.3%                                | 18.7%                                | 100.0%                   |
| Undiluted percentage                    | 81.1%                                | 18.9%                                | 100.0%                   |

## 7.5 Substantial holders of the Combined Group

Based on information known to Westgold at the date of this Bidder's Statement, the table summarises the substantial shareholders of the Combined Group assuming that Westgold acquires 100% of the Musgrave Shares (assuming the Musgrave Options are not exercised during the Offer Period) under the Offer:

| Name                    | Westgold Shares held at completion of the Offer | Current voting power in Westgold | Voting power following completion of the Offer |
|-------------------------|-------------------------------------------------|----------------------------------|------------------------------------------------|
| L1 Capital Pty. Limited | 46,836,362                                      | 9.89%                            | 8.02%                                          |
| <b>Total</b>            | <b>46,836,362</b>                               | <b>9.89%</b>                     | <b>8.02%</b>                                   |

## 7.6 Pro-forma historical financial information for the Combined Group

### (a) Basis of preparation

Set out below are the historical statements of financial position of Westgold and Musgrave as of 31 December 2022 (together, **Historical Financial Information**) and the pro-forma historical statement of financial position in relation to the Combined Group as of 31 December 2022 (**Pro-forma Historical Financial Information**). The Historical Financial Information contained in this Section has been extracted from Westgold's HY23 Interim Report, lodged with the ASX on 24 February 2023, and Musgrave's HY23 Interim Report, lodged with the ASX on 10 March 2023. Copies of the reviewed financial reports can be found on their respective websites, being [www.westgold.com.au](http://www.westgold.com.au) and [www.musgraveminerals.com.au](http://www.musgraveminerals.com.au).

The Pro-forma Historical Financial Information has been prepared to reflect the acquisition of Musgrave by Westgold pursuant to the Offer, assuming that the Offer becomes unconditional and the level of acceptances result in Westgold acquiring 100% of Musgrave.

The Pro-forma Historical Financial Information is provided for illustrative purposes only and is prepared on the assumption that Musgrave became a wholly-owned subsidiary of Westgold on 31 December 2022. It does not illustrate the financial position that may be contained in future financial statements of Westgold and does not contain all disclosures required for a financial report under the Corporations Act. The Pro-forma Historical Financial Information should be read in conjunction with the risk factors in Section 8, other information contained in the Bidder's Statement, the accounting policies of Westgold and Musgrave as disclosed in their most recent annual report and prospectus, respectively, and information disclosed by the companies on the ASX.

(b) **Pro-forma Historical Financial Information of the Combined Group**

| <b>\$'000</b>                                          | <b>Westgold<br/>31 December<br/>2022</b> | <b>Musgrave<br/>31 December<br/>2022</b> | <b>Adjustments</b> | <b>Combined Group<br/>Pro-Forma<br/>31 December 2022</b> |
|--------------------------------------------------------|------------------------------------------|------------------------------------------|--------------------|----------------------------------------------------------|
| <b>Current Assets</b>                                  |                                          |                                          |                    |                                                          |
| Cash and cash equivalents                              | 143,581                                  | 14,608                                   | (10,234)           | 147,955                                                  |
| Trade and other receivables                            | 6,727                                    | 261                                      | -                  | 6,988                                                    |
| Inventories                                            | 88,596                                   | -                                        | -                  | 88,596                                                   |
| Prepayments                                            | 3,928                                    | -                                        | -                  | 3,928                                                    |
| Other financial assets                                 | 4,149                                    | 20                                       | -                  | 4,169                                                    |
| <b>Total Current Assets</b>                            | <b>246,981</b>                           | <b>14,889</b>                            | <b>(10,234)</b>    | <b>251,636</b>                                           |
| <b>Non-Current Assets</b>                              |                                          |                                          |                    |                                                          |
| Financial assets at fair value through profit and loss | 6,374                                    | 637                                      | -                  | 7,011                                                    |
| Property, plant and equipment                          | 141,533                                  | 532                                      | -                  | 142,065                                                  |
| Mine properties and development                        | 268,748                                  | -                                        | -                  | 268,748                                                  |
| Exploration and evaluation                             | 114,853                                  | 41,207                                   | 121,469            | 277,529                                                  |
| Right of use assets                                    | 7,323                                    | 26                                       | -                  | 7,349                                                    |
| <b>Total Non-Current Assets</b>                        | <b>538,832</b>                           | <b>42,403</b>                            | <b>121,469</b>     | <b>702,704</b>                                           |
| <b>Total Assets</b>                                    | <b>785,813</b>                           | <b>57,291</b>                            | <b>111,235</b>     | <b>954,339</b>                                           |
| <b>Current Liabilities</b>                             |                                          |                                          |                    |                                                          |
| Trade and other payables                               | 71,653                                   | 1,116                                    | -                  | 72,769                                                   |
| Provisions                                             | 12,412                                   | 259                                      | -                  | 12,671                                                   |
| Interest bearing loans and borrowings                  | 20,700                                   | 23                                       | -                  | 20,723                                                   |
| Unearned income                                        | -                                        | -                                        | -                  | -                                                        |
| <b>Total Current Liabilities</b>                       | <b>104,765</b>                           | <b>1,398</b>                             | <b>-</b>           | <b>106,163</b>                                           |
| <b>Non-Current Liabilities</b>                         |                                          |                                          |                    |                                                          |
| Provisions                                             | 68,625                                   | -                                        | -                  | 68,625                                                   |
| Interest bearing loans and borrowings                  | 14,641                                   | -                                        | -                  | 14,641                                                   |
| Deferred tax liabilities                               | 21,177                                   | -                                        | -                  | 21,177                                                   |
| <b>Total Non-Current Liabilities</b>                   | <b>104,443</b>                           | <b>-</b>                                 | <b>-</b>           | <b>104,443</b>                                           |
| <b>Total Liabilities</b>                               | <b>209,208</b>                           | <b>1,398</b>                             | <b>-</b>           | <b>210,606</b>                                           |
| <b>Net Assets</b>                                      | <b>576,605</b>                           | <b>55,894</b>                            | <b>111,235</b>     | <b>743,734</b>                                           |
| <b>Equity</b>                                          |                                          |                                          |                    |                                                          |
| Issued capital                                         | 463,233                                  | 83,370                                   | 83,759             | 630,362                                                  |
| (Accumulated losses)/retained earnings                 | (84,222)                                 | (29,657)                                 | 29,657             | (84,222)                                                 |
| Share based payment reserve                            | 16,100                                   | -                                        | -                  | 16,100                                                   |
| Other reserves                                         | 181,494                                  | 2,181                                    | (2,181)            | 181,494                                                  |
| <b>Total Equity</b>                                    | <b>576,605</b>                           | <b>55,894</b>                            | <b>111,235</b>     | <b>743,734</b>                                           |

(c) **Pro-forma adjustments**

The following pro-forma adjustments have been made for the purposes of preparing the Pro-forma Historical Financial Information:

**Adjustment 1:** reflects the provisional estimated accounting for the acquisition of Musgrave based on the provisional amounts shown below and an estimated \$10.2 million of one-off transaction costs associated with the Offer which will be expensed. This includes an estimate of \$9.1 million of stamp duty payable and \$1.1 million in other transaction costs recognised as an outflow of cash and cash equivalents.

The accounting for the acquisition of Musgrave reflects the:

- derecognition of the contributed equity of Musgrave of \$83.4 million;
- derecognition of pre-acquisition accumulated losses and reserves of Musgrave of (\$29.7 million) and \$2.2 million respectively; and
- estimated equity consideration of \$177.3 million.

The initial estimates of the acquisition accounting undertaken for the purposes of the compilation of the Combined Pro Forma Historical Financial Information are discussed below. These estimates will be updated based on the actual assets and liabilities acquired on completion of the Offer. Therefore, the figures above are illustrative only and the actual impact of the acquisition accounting will differ from that presented above.

The following table details the initial estimate of the allocation of the estimated amount to be allocated to the net identifiable assets:

|                                                                           | \$m          |
|---------------------------------------------------------------------------|--------------|
| <b>Total amount to be allocated</b>                                       | <b>177.3</b> |
| Net Assets acquired – Musgrave (i) (ii)                                   | 55.9         |
| <b>Residual value allocated to exploration and evaluation expenditure</b> | <b>121.4</b> |

In estimating the above purchase price allocation, the following assumptions have been made:

- the historical carrying value of assets and liabilities recognised on the pre-acquisition Statements of Financial Position of Musgrave as at 31 December 2022 are assumed to equal their fair value;
- for the purpose of preparing the Combined Pro Forma Historical Statement of Financial Position, it has been assumed that there will be no change to the tax cost bases and fair value of mine properties following the acquisition. This is an assumption and detailed analysis will be undertaken post acquisition; and
- the remaining purchase price (\$121.4 million) has been allocated to exploration and evaluation expenditure.

**Purchase consideration sensitivity**

The following table shows the sensitivity of the calculation of the purchase consideration and the residual value allocated to exploration and evaluation expenditure to changes in Westgold's share price. This has been prepared assuming 591.2 million Musgrave Shares are transferred in exchange for approximately 110.1 million Westgold Shares.

| <b>Westgold Share Price (A\$)</b>                               | <b>1.50</b> | <b>1.55</b> | <b>1.61*</b> | <b>1.65</b> | <b>1.70</b> |
|-----------------------------------------------------------------|-------------|-------------|--------------|-------------|-------------|
| Implied Purchase Consideration (A\$m)                           | 165.1       | 170.6       | 177.3        | 181.7       | 187.2       |
| Increase / (decrease) to exploration and evaluation expenditure | 109.2       | 114.8       | 121.4        | 125.8       | 131.3       |

\*Assumption used in pro forma adjustment. Rounding errors may occur.

(d) **Notes to Pro-forma Historical Financial Information**

The above pro-forma financial information has been prepared using AIFRS and reflects the accounting policies of Westgold. It has not been audited. Amounts presented are in Australian dollars and have been rounded to the nearest thousand.

The Pro-forma Historical Financial Information of the Combined Group as at 31 December 2022 assumes the acquisition of Musgrave by Westgold had been completed at that date. The actual date of completion of the Offer will be at a later date. AASB 3 'Business Combinations' states that the acquirer shall, at the acquisition date, allocate the cost of a business combination by recognising the acquiree's identifiable assets, liabilities and contingent liabilities that satisfy the recognition criteria at their fair values as at that date. Accordingly, Westgold will assess the fair value of identifiable net assets of Musgrave on completion of the Offer.

The pro-forma statement of financial position of the Combined Group is based on the assumption that the fair value of assets and liabilities of Musgrave are equal to their book value with some adjustments. The difference between the book value of these assets and liabilities and the purchase consideration at the acquisition date has been assumed to relate to exploration properties reflective of the in-situ metal value from the Musgrave previously reported Mineral Resources. A full purchase price allocation will be undertaken post acquisition and the fair value of the assets and liabilities will be more accurately assessed at that time.

**7.7 Forecast financial information of the Combined Group**

The Westgold Board has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information in relation to the Combined Group. The Westgold Board has concluded that forecast financial information would be misleading to provide, as a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable. This is mainly due to Musgrave's assets being at advanced exploration stage. Accordingly, the capital costs, operating costs and development timeline of Musgrave's Cue gold project are not yet known.

## **8. Offer Consideration**

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### **8.1 Consideration**

The consideration for the acquisition of the Musgrave Shares to which the Offer relates will be satisfied by the issue of Offer Consideration.

### **8.2 Offer Consideration**

Based on the number of Musgrave Shares on issue as at the Last Practicable Date, the maximum number of Westgold Shares which would be required to be issued under the Offer if every Musgrave Shareholder accepted the Offer is 110,094,590 Westgold Shares.<sup>23</sup>

In addition, if during the Offer Period, all Musgrave Options on issue as at the Last Practicable Date before the date of this Bidder's Statement are exercised into Musgrave Shares and the Offer is accepted in respect of the Musgrave Shares issued, then an additional 4,646,182 Westgold Shares would be issued.

Westgold has the capacity to issue the maximum number of Westgold Shares which it may be required to issue under the Offer. Westgold intends to apply for the quotation of the Westgold Shares issued under the Offer on the ASX within 7 days of the date of the Bid Period in accordance with the Corporations Act.

The Offer itself is not subject to any financing conditions.

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<sup>23</sup> Westgold expects that the number of Westgold Shares to be issued under the Offer will be lower than this amount due to Ineligible Foreign Shareholders and Small Parcel Holders not being entitled to receive Westgold Shares as consideration for their Musgrave Shares pursuant to the Offer. See Section 11.4 for further information.

## **9. Risk factors**

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### **9.1 Overview of risk factors**

In deciding whether or not to accept the Offer, you should read this entire Bidder's Statement carefully. You should also carefully consider the risk factors outlined in this Section 9. The future performance of the Combined Group and the future investment performance of Westgold's securities may be influenced by a wide range of factors, many of which are outside the control of Westgold. The future value of the Combined Group and the prices at which Westgold's securities trade on the ASX may be influenced by some or all of these factors.

The activities of the Combined Group, as in any business, are subject to risks which may impact on its future performance. Westgold has actions, systems and safeguards for known risks; however, some are outside its control.

There are a number of risks, both specific to Westgold and the Combined Group and of a general nature, which may, either individually or in combination, affect the future operational and financial performance of the Combined Group and the value of Westgold Shares. Some of the risks may be mitigated by the Combined Group using safeguards and appropriate systems and taking certain actions, while others can be covered by insurance. However, some of the risks are outside the control of Westgold and the Combined Group and cannot be mitigated or insured against. There are also general risks associated with any investment in shares.

The risks listed below (and previously disclosed by Westgold) should not be taken as exhaustive of the risks faced by Westgold and the Combined Group. Westgold, however, considers that these risks represent key risks to an investment in the Combined Group. Additional risks and uncertainties that Westgold is unaware of, or that Westgold considers to be immaterial, may also become key risks that can adversely affect the Combined Group's operational and financial performance in the future. Factors other than those listed may in the future materially affect the financial performance of the Combined Group and the value of Westgold's Shares.

These key investment risks are general in nature and regard has not been had to the investment objectives, financial situation, tax position or particular needs of any investor. Before investing, or increasing any investment in Westgold, participants should consider whether this investment is suitable for them having regard to the risk factors set out below, publicly available information, your investment objectives, and personal financial and other circumstances. Musgrave Shareholders should read this Bidder's Statement in its entirety and consult their Broker, accountant or other professional advisor before deciding whether to accept the Offer.

### **9.2 Risk relating to the general economy and stock market**

Westgold Shares offered to Musgrave Shareholders pursuant to the Offer are speculative because of the nature of the business of Westgold.

The value of Westgold Shares will be determined by the stock market and will be subject to varied and often unpredictable influences in the share market beyond Westgold's control. These factors include, but are not limited to, the demand for, and availability of Westgold's Shares, movements in interest rates, exchange rates, and rates of inflation, fluctuations in the Australian and international stocks markets, changes in fiscal, monetary and regulatory policies, and general domestic and international and economic activity. Depending on general market conditions and Westgold's Share price, Westgold may not be able to attract new investors or raise capital as and when required.

The Westgold Shares which form the Offer Consideration do not carry any guarantee as to market value. Further, any Westgold Shares which form part of the Offer Consideration do not carry any guarantee as to payment of dividends or the return of capital.

Westgold may elect to issue Westgold Shares or other securities in Westgold in the future. While Westgold will be subject to the constraints of the ASX Listing Rules regarding the percentage of capital that it is able to issue within a 12 month period (other than where exceptions apply), the increase in the number of securities issued and the possible sale of these securities may have the effect of depressing the price of Westgold securities already on issue. In addition, Westgold Shareholders at the time may be diluted as a result of the issue of such securities.

Conflict events including, but not limited to, significant riots or acts of terrorism, invasion, hostilities (whether war be declared or not), or war may adversely affect the operating and financial performance of the Combined Group. Escalation of the current conflict in Ukraine may increase market volatility generally and/or volatility in global commodity prices generally.

### **9.3 Risks relating to Westgold and the Combined Group**

#### **(a) Laws, regulations, rules, approvals, licences and permits**

The Combined Group's operations will be subject to various Federal, State and local laws and plans, including those relating to mining, exploration, development permit and licence requirements, industrial relations, environment, land use, royalties, water, native title and cultural heritage, mine safety and occupational health. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, production or development.

Approvals, licences and permits required to comply with such rules and regulations are subject to the discretion of the applicable government officials. No assurance can be given that Westgold will be successful in obtaining any or all of the various approvals, licences and permits or maintaining such Authorisations in full force and effect without modification or revocation.

#### **(b) Land access arrangements**

Mineral exploration, development and mining generally require consultation and agreement with landholders or other third parties in relation to access arrangements regarding underlying land. The Combined Group may be subject to restrictions associated with such land access arrangements and may be required to pay compensation or adhere to other attached conditions. There is the further risk that landholders or other third parties may refuse access to the relevant land, which may negatively impact the Combined Group's capacity to further explore or develop any projects, the subject of such land.

#### **(c) Land rehabilitation requirements**

Although variable, depending on location and the governing authority, land rehabilitation requirements are generally imposed on mineral exploration companies, in order to minimise long term effects of land disturbance. Rehabilitation may include requirements to control dispersion of potentially deleterious effluents and to reasonably re-establish re-disturbance land forms and vegetation. In order to carry out rehabilitation obligations imposed on the Combined Group in connection with its mineral exploration, the Combined Group will need to allocate financial resources that might otherwise be spent on further exploration and/or development programs.

(d) **Fluctuations in commodity price and Australian dollar**

Westgold's revenues are exposed to fluctuations in the gold prices and the Australian dollar exchange rate. Volatility in the gold prices and Australian dollar creates revenue uncertainty and requires careful management of business performance to ensure that operating cash margins are maintained should the Australian dollar commodity price fall. Declining gold prices can also impact operations by requiring a reassessment of the feasibility of a particular exploration or development project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment could cause delays and/or may interrupt operations, which may have a material adverse effect on our results of operations and financial condition.

Westgold has a commodity risk management and hedging policy that authorises Westgold management to enter into price protection contracts. Currently, Westgold has certain gold price hedging arrangements in place and may in the future be required or choose to enter into further gold price hedging. Gold price hedging activities may protect Westgold in certain instances, however, they may also limit the price that can be realised on the proportion of recovered metal that is subject to any hedges, if the market price for gold exceeds the hedge contract price.

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

Westgold's Mineral Resources and Ore Reserves are estimates based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralisation or geological conditions may be different from those predicted.

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

As noted in Section 6.2, if the Offer is successful Westgold intends to conduct a review of Musgrave's Mineral Resource estimates and the assumptions made in developing these estimates. It is expected that Westgold will re-estimate Musgrave's Mineral Resources using the same estimation practices and assumptions used by Westgold at its Murchison and Bryah operations. This review could lead to a downgrade of Musgrave's Mineral Resource estimates.

(f) **Replacement of depleted Ore Reserves**

Westgold must continually replace Ore Reserves depleted by production to maintain production levels over the long term. Ore Reserves can be replaced by discovering extensions to known ore bodies, discovering new deposits or acquiring new deposits. Exploration is highly speculative in nature. Westgold's exploration projects involve many risks and are frequently unsuccessful. Once a site with mineralisation is discovered (or acquired), it may take several years from the initial phases of drilling until production is possible. There is no assurance that current or future exploration programs will be successful. There is a risk that depletion of Ore Reserves will not be offset by discoveries or acquisitions.

(g) **Exploration and mining risks**

The mining and exploration activities of the Combined Group may be affected by a number of factors, including but not limited to, geological conditions; force majeure events; power outages; adverse/seasonal weather patterns; critical equipment failures; continued availability of the necessary technical equipment, plant and appropriately skilled and experienced technicians; labour shortages; industrial and other accidents; improper, defective and negligent use of technical plant and equipment; improper, defective and negligent conduct by

employees, consultants and contractors; adverse changes in government policy or legislation; and access to the required level of funding and unforeseen cost changes beyond the control of Westgold can negatively impact the Combined Group's activities, thereby affecting its profitability and the value of Westgold's securities.

There is a risk that unforeseen geological and geotechnical difficulties may be encountered when developing and mining Ore Reserves, such as unusual or unexpected geological conditions, underground access, ambient rock temperature, rock bursts, seismicity and cave ins. Unforeseen geological and geotechnical difficulties could impact production and/or require additional operating or capital expenditure to rectify problems and thereby have an adverse effect on the Combined Group's financial and operational performance.

**(h) Future mining studies**

Studies undertaken on the potential to advance projects to a mining operation or continue as a mining operation have not all been independently verified by Westgold and there is no certainty of a future or continuing mining operation. Westgold's ability to develop its exploration projects to mining projects in the future may be delayed or prevented as a result of factors including weather conditions, mechanical difficulties or a shortage of technical expertise or equipment. There may be difficulties with obtaining government and/or third-party approvals, operational difficulties encountered with construction, extraction and production activities, unexpected shortages or increase in the price of consumables (including water and energy resources such as grid power, diesel, gas and other fossil fuels), labour disruptions, plant and equipment, information technology systems, cost overruns or lack of access to required levels of funding.

Westgold's future operations may be adversely affected by higher than anticipated treatment costs, worse than anticipated metallurgical conditions, unfavourable geotechnical or hydrological conditions, fluctuations in metal prices or lack of availability of plant and equipment. The occurrence of any of these circumstances could result in Westgold not realising its operational or development plans or in such plans costing more than expected or taking longer to realise than expected.

Westgold is currently working on expansion studies for the Big Bell mine around opportunities to commence a new mining front at depth below the current sub-level cave using long hole open stoping techniques. There is no certainty that the study will be successful and that the Big Bell operation will be expanded.

Studies are also underway in relation to the possible commencement of underground mining at the historic Great Fingall mine at Day Dawn. While recent drill results have been encouraging, there is no certainty that the study will be successful and that mining will commence at Great Fingall.

**(i) Insurance**

Westgold's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures and natural phenomena such as inclement weather conditions (including cyclones), floods and earthquakes. Such occurrences could result in damage to facilities, personnel injury or death, environmental damage to Westgold's properties and the properties of others, delays in development, monetary losses and possible legal liability.

Although Westgold maintains insurance to protect against certain risks in such amounts as it considers it to be reasonable, its insurance will not cover all of the potential risks associated with its operations. Westgold may also be unable to maintain insurance to cover those risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Losses from any of these events may cause the Combined Group to incur significant costs that could have a material adverse effect on its financial performance and results of operations.

**(j) Production and cost estimates**

Westgold prepares estimates of future production, cash costs and capital costs of production for its operations. Failure to achieve production or cost estimates or material increases in costs could have an adverse impact on the Combined Group's future cash flows, profitability, results of operations and financial condition. Westgold's actual production and costs may vary from estimates for a variety of reasons, including: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors relating to the Ore Reserves, such as the need for sequential development of ore bodies and the processing of new or different ore grades; revisions to mine plans; risks and hazards associated with mining; natural phenomena such as inclement weather conditions, water availability and floods; and unexpected labour shortages or strikes. Costs of production may also be affected by a variety of factors including: changing waste-to-ore ratios, ore grade metallurgy, labour costs, cost of commodities, general inflationary pressures and currency exchange rates.

**(k) Operations generally**

Westgold's business, results of operations and financial condition may vary with fluctuations in production and capital costs. No assurance can be given that Westgold will achieve its production and costs estimates. These estimates are subject to a number of factors, many of which cannot be foreseen and are beyond Westgold's control. Westgold's operations are subject to operating risks that could result in insufficient production and increased costs and, as a result, one or more projects becoming unprofitable or uneconomic. The Australian mining sector is currently experiencing supply chain disruptions, inflationary cost pressures and labour availability challenges. If those conditions persist, it may have an adverse impact on the Combined Group's operating and financial performance and financial position.

**(l) Joint venture**

Projects held and run through joint ventures may impose a number of restrictions on Westgold's ability to sell its interest in any assets held through such a structure and may require prior approval of other joint venture partners or may be subject to pre-emptive rights.

Subject to the relevant joint venture agreements, Westgold may be unable to control the actions of its joint venture partners and therefore cannot guarantee that the joint venture arrangements will be operated or managed in accordance with Westgold's preferred direction or strategy. There is therefore a risk of financial failure, negligence or default by a participant or manager in any joint venture to which Westgold is or may become a party.

Westgold's interests may not always be the same as that of its joint venture partners and disagreements may arise. Disagreements between joint venturers poses a further risk of financial loss or legal or other disputes with the other participants in such a joint venture. In addition, Westgold may not be the operating and/or majority party in all of its joint venture arrangements and therefore it will have less control over decision making and less visibility over operational risks associated with those joint ventures. In these circumstances, Westgold will be reliant on Third Party managers or its joint venture partner(s) to manage and communicate risk factors to Westgold and the Combined Group.

**(m) Environmental, health, safety and permitting risks**

Westgold's mining and processing operations and exploration activities are subject to laws and regulations governing the protection and management of the environment, water management, waste disposal, worker health and safety, mine development and rehabilitation and the protection of endangered and other special status species.

Westgold is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase Westgold's cost of doing business or affect its operations in any area. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige Westgold to incur significant expenses and undertake significant investments which could have material adverse effect on the Combined Group's business, financial condition and performance.

Westgold has implemented health, safety and community initiatives at its sites to manage the health and safety of its employees, contractors and members of the community. While these control measures are in place there is no guarantee that these will eliminate the occurrence of incidents which may result in personal injury or damage to property. In certain instances, such occurrences could give rise to regulatory fines and / or civil liability.

Westgold's ability to obtain permits and approvals and to successfully operate may be adversely impacted by real or perceived detrimental events associated with Westgold's activities or those of other mining companies affecting the environment, human health and safety of the surrounding communities. Delays in obtaining or failure to obtain government permits and approvals may adversely affect the Combined Group's operations, including its ability to continue operations.

(n) **Native title**

The *Native Title Act 1993* (Cth) recognises and protects the rights and interest in Australia of Aboriginal and Torres Strait Islander people in land and waters according to their traditional laws and customs. Native title may impact the Combined Group's operations and future plans. Native title is not generally extinguished by the grant of exploration and mining tenements, as they are not generally considered to be a grant of exclusive possession. However, a valid exploration or mining tenement prevails over native title to the extent of any inconsistency for the duration of the title.

There may be areas in relation to tenements which the Combined Group has an existing interest in, or will acquire an interest in the future, over which native title rights exist, or may be found to exist, which may preclude or delay exploration, development or production activities.

Westgold's current operations fall within three determined native title claims. A number of existing land access, heritage protection and compensation agreements are in place regulating Westgold's activities and providing certainty to current operations.

The Combined Group will also need to comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of mining and certain exploration operations.

(o) **Royalties**

Each of Westgold's gold mining projects will be subject to Western Australian royalties. If royalties rise, the profitability and commercial viability of Westgold's projects may be negatively impacted. In addition, some assets held by Westgold are or may become the subject of third-party royalty payment (for example native title access compensation). If a third-party royalty is determined to be valid, the Combined Group's liability under that royalty may or may not be substantial and may or may not affect its financial position, its financial results or its operations.

(p) **Dependence on key personnel**

The Combined Group's success depends on the continued services of Westgold's key personnel. Due to management's experience and the important role they have taken in developing Westgold's mining, business and financial plans, the Combined Group could be adversely affected if any of them ceased to actively participate in the management of Westgold or ceased employment entirely. The impact of such loss would be dependent upon the replacement employee's quality and time of appointment. There is no guarantee that the key personnel of Westgold will be successful in their objectives despite their considerable experience and previous success.

Westgold may use external contractors or service providers for many of its activities, and as such the failure of any current or proposed contractors, subcontractors or other service providers to perform their contractual obligations may negatively impact the business of the Combined Group. Westgold cannot guarantee that such parties will fulfil their contractual obligations and there is no guarantee that Westgold would be successful in enforcing any of its contractual rights through legal action. Further, the insolvency or managerial failure by any such contractors or other service providers may pose a significant risk to the Combined Group's operating and financial performance and financial position.

(q) **Adequacy of funding and additional requirements for capital**

Westgold's capital requirements depend on numerous factors. Depending on Westgold's ability to generate revenue from its operations, Westgold may require further financing. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that Westgold will be able to obtain additional debt or equity funding when required, or that the terms associated with that funding will be acceptable and this may have a material adverse effect on the Combined Group. If Westgold is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. Any ongoing funding restrictions may also impact on the Combined Group's ability to continue as a going concern.

(r) **Competition risk**

The industry in which the Combined Group is involved is subject to domestic and global competition. Although Westgold considers that it undertakes all reasonable due diligence in its business decisions and operations, Westgold has no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Combined Group's projects and business.

(s) **Regulatory risk**

Westgold must meet regulatory requirements that are subject to continual review, including inspection by regulatory authorities. Failure by Westgold to continuously comply with regulatory requirements (including, without limitation, in relation to mining, prospecting, rehabilitation, permitting and licencing requirements, industrial relations, environment, waste disposal, land use, royalties, native title, land access, mine safety and occupational health) or failure to take satisfactory corrective action in response to adverse inspection could result in enforcement actions. Westgold operates in a regulated environment with the potential for significant penalties for non-compliance with applicable laws and regulations. Westgold's future growth prospects are reliant on its ability to market its services and any regulatory change, event or enforcement action which would restrict those activities could have a material impact on Westgold's growth and future financial performance. Amendments to current law and regulations governing operations or more stringent implementation of laws and regulations could have an adverse impact on Westgold, including increases in expenses, capital expenditure and costs. The impact of future regulatory and legislative change upon the business of Westgold cannot be predicted.

Approvals, licences and permits required to comply with such laws may, in some instances, be subject to the discretion of government officials and, in some cases, the local community. No assurance can be given that Westgold will be successful in obtaining or maintaining any or all of the various approvals, licences and permits. To the extent such approvals are required and not retained or obtained in a timely manner or at all, Westgold may be curtailed or prohibited from continuing or proceeding with mining, development and/or exploration activities. There can be no assurance that the costs involved in retaining or obtaining such approvals will not exceed those estimated by Westgold.

Mining operations can be subject to public and political opposition. Opposition may include legal challenges to exploration and development permits, political and public advocacy, electoral strategies, media and public outreach campaigns and protest activity, all which may delay or halt development or expansion. For example, native title claims on any existing or future tenements held by Westgold may potentially impact the Combined Group's operations and future plans.

(t) **Litigation**

Westgold could be exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Any litigation, arbitration, proceeding or criminal or government prosecution of a material nature in which Westgold or its subsidiaries are directly or indirectly involved could divert management time and have a material impact on the business or financial position of the Combined Group. As at the date of this Bidder's Statement, Westgold is not aware of any material disputes or litigation being undertaken.

(u) **Taxation**

Changes to corporate income tax, import duties, property tax, excise tax, withholding tax or any other applicable taxation legislation or policies may adversely affect Westgold's financial profitability, net assets and cash flow and the returns to investors. The recoupment of taxation losses accrued by Westgold from any future revenues is subject to the satisfaction of tests outlined in taxation legislation or regulations in relevant jurisdictions. There is no guarantee that Westgold will satisfy all these requirements at the time it seeks to recoup its tax losses which may impact on the financial performance and cashflows of the Combined Group.

(v) **Climate change**

Westgold recognises that physical and non-physical impacts of climate change may affect assets, productivity, markets and the community. Risks related to the physical impacts of climate change include the risks associated with increased severity of extreme weather events and chronic risks resulting from longer-term changes in climate patterns. Non-physical risks and opportunities arise from a variety of policy, legal, technological and market responses to the challenges posed by climate change and the transition to a lower carbon world.

**9.4 Risks that arise from the Offer**

(a) **Musgrave Shareholders will have limited withdrawal rights with respect to the Offer, which means that a decision to accept the Offer may be irrevocable**

Once you have accepted the Offer for your Musgrave Shares, you have the limited right to withdraw your acceptance of the Offer only in limited circumstances. Under Australian law, if after you have accepted the Offer and while it remains subject to conditions, the Offer is varied (such as by an extension of the Offer Period) so as to postpone for more than one month after the time when Westgold must meet its obligations under the Offer, you will be able to withdraw your acceptance. Otherwise, you will be unable to withdraw your acceptance of the Offer even if the market value of Westgold Shares varies significantly from their value on the date of your acceptance of the Offer.

(b) **Westgold has not verified the reliability of the Musgrave information included in, or which may have been omitted from, this Bidder's Statement**

In respect of information relating to Musgrave presented in, or omitted from, this Bidder's Statement, including all Musgrave financial information, Westgold has relied upon publicly available information. Any inaccuracy in the Musgrave information could adversely affect the anticipated results of operations of the Combined Group.

(c) **Change of control provisions in Musgrave's agreements triggered upon the acquisition of control of Musgrave may lead to adverse consequences**

Westgold is not aware of any pre-emptive rights or change of control provisions affecting Musgrave's assets or agreements which would be triggered by Westgold obtaining control of Musgrave. However, Musgrave may be a party to agreements that contain pre-emptive rights or change of control provisions that may be triggered if Westgold acquires Musgrave Shares representing a majority of the voting rights of Musgrave. The operation of these change of control provisions, if triggered, could have negative consequences including requiring Musgrave to renegotiate its financings, or sell joint venture interests. These provisions may be waived with the consent of the other party and Westgold would consider seeking such waivers if it discovered that pre-emptive rights or change of control provisions affecting Musgrave's assets or agreements would be triggered upon Westgold obtaining control of Musgrave. In the absence of these waivers, the operation of any of these change of control provisions could adversely affect the operations of the Combined Group.

(d) **Issue of Westgold Shares as consideration**

Under the Offer, Westgold will offer a significant number of its shares. If current Musgrave Shareholders or current Westgold Shareholders do not wish to hold Westgold Shares after completion of the Offer and seek to sell their shares, this may have a material adverse effect on Westgold and the price of Westgold Shares. Further, Westgold Shares issued to Ineligible Foreign Shareholders and Small Parcel Holders will be sold on the ASX (refer to paragraph 14 of Schedule 1). The sale of these Westgold Shares could also have a material adverse effect on Westgold and the price of Westgold Shares.

(e) **Fluctuation in the market value of Westgold Shares**

Musgrave Shareholders are being offered consideration under the Offer that consists of a specified number of Westgold Shares (rather than a number of Westgold Shares with a specified market value). The market value of Westgold Shares at the time at which they are received by Musgrave Shareholders may vary from their market value on the date that Musgrave Shareholders accept the Offer.

Accordingly, market fluctuations could affect the value of the consideration paid (in the form of Westgold Shares) under the Offer and the value of an accepting shareholder's investment in Westgold. Westgold is not obliged to make any adjustment in the consideration payable under the Offer if the value of Westgold Shares changes during the Offer Period.

(f) **Integration risks**

The integration of a business with substantial assets such as Westgold and Musgrave carries risk, including potential delays or costs in implementing necessary changes, and difficulties in integrating various operations. The success of the combination, and the ability to realise the expected benefits of the combination, is dependent on the effective and timely integration of the Musgrave assets into Westgold's existing business operations. A failure to fully integrate the Musgrave assets, a delay in the integration process, or greater than expected integration costs could adversely affect the financial performance and position of Westgold.

**(g) Historical liability**

If Westgold becomes Musgrave's ultimate parent company, Westgold may become directly or indirectly liable for any liabilities that Musgrave has incurred in the past as a result of prior acts or omissions, including liabilities which were not identified during Westgold's due diligence or which are greater than expected, and for which the various forms of protections negotiated by Westgold in its agreement to acquire Musgrave turn out to be inadequate in the circumstances. Such liabilities may adversely affect the financial performance or position of Westgold post-acquisition.

**(h) Synergy risks**

Whilst the Westgold Directors expect to realise certain synergy benefits from the combination, achievement of these synergies is not certain. The synergies may not be realised to their full extent or may be realised over a longer period of time than the Directors of Westgold expect. This could have a material adverse impact on the financial performance of the Combined Group.

**(i) Exploration risk**

If the Offer is successful, the relative proportion of exploration and development stage assets owned by Westgold will increase. Mineral exploration, mine development are high risk undertakings and there can be no assurance that the tenements currently held by Westgold or Musgrave or acquired by Westgold in the future will result in the discovery of an economic ore deposit. If a viable deposit is identified there is also no guarantee it can be commercially developed. There is no certainty that the proposed exploration will reveal mineable mineralisation or that such mineralisation will be commercially viable.

**(j) Less than 50.1% ownership**

The Offer is subject to a Minimum Acceptance Offer Condition. This condition may be waived by Westgold. Therefore, a risk exists that the final level of ownership acquired by Westgold is less than 50.1%, which could have an impact on Westgold's intentions regarding Musgrave (refer to Section 6). This impact could have a material adverse effect on Westgold.

**(k) Taxation risks**

The tax consequences and risks of the Offer depend upon the specific circumstances of each Musgrave Shareholder. Musgrave Shareholders should obtain their own professional taxation advice regarding the applicable law in respect of the Offer.

**(l) Potential unavailability of scrip for scrip rollover relief**

The availability of scrip for scrip rollover relief on the disposal of Musgrave Shares is only available to Musgrave Shareholders where Westgold acquires 80% or more of the Musgrave Shares. If this does not occur and the Offer is declared unconditional, Musgrave Shareholders will not be able to defer any capital gains they realise on the disposal of their Musgrave Shares. Any capital gains will therefore be subject to tax in the income year in which the disposal takes place.

**(a) Impairment of goodwill and other intangible assets**

The financial statements of the Westgold Group will be prepared in conformity with the AIFRS and consistent with the current accounting policies of Westgold. Under AIFRS, intangible assets are reviewed semi-annually for impairment. Changes to the carrying amounts of intangible assets of Westgold or Musgrave could have a material adverse impact on the financial performance of Westgold.

## 9.5 Risk factors relating to the trading price of Westgold Shares

The market value of the Westgold Shares issued under the Offer will depend on the trading price of those shares. There is no guarantee the trading price of Westgold Shares will increase in the future, nor that the trading price in the future will be the same as the current trading prices of Westgold Shares. The market price of Westgold Shares may fall due to the factors described elsewhere in this Section 9 and other factors, some of which are beyond Westgold's control, including, but not limited to:

- general economic conditions and changes in law, regulation or government policy (whether or not such changes also affect the operations of Westgold or the Combined Group);
- changes in interest rates and the rate of inflation;
- operating results that do not meet the expectations of securities analysts and investors or changes in expectations as to Westgold's or the Combined Group's future financial performance by securities analysts and investors;
- investor sentiment including in relation to the mining sector, general movements in securities markets and changes in market valuations of other companies in the same or similar sector to Westgold or the Combined Group;
- the announcement of acquisitions, strategic partnerships, joint ventures or capital commitments by Westgold or its competitors;
- the development of new technologies and displacement of existing technologies;
- the impact of COVID-19, including on health of workforce, the industry, customers, supply chains and travel and other restrictions;
- geo-political conditions such as acts or threats of terrorism or military conflicts (including the current conflict between Russia and Ukraine which may continue to contribute to increased volatility in the global markets); and
- future issues by Westgold of debt or Equity Securities.

## 10. Tax considerations

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### 10.1 Introduction

The following is a summary of the potential Australian income tax and capital gains tax (**CGT**) consequences generally applicable to Musgrave Shareholders who dispose of Musgrave Shares under the Offer. This summary is based on the law and practice in effect on the date of this Bidder's Statement.

The following summary is not intended to be an authoritative or complete statement of the tax law applicable to the specific circumstances of every Musgrave Shareholder. In particular, this summary is only applicable to Musgrave Shareholders that hold their Musgrave Shares on capital account and only considers the Australian tax position.

This summary does not apply to Musgrave Shareholders:

- who hold their Musgrave Shares as trading stock or as revenue assets;
- who acquired their Musgrave Shares as part of an employee share scheme operated by Musgrave;
- 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; or
- who are subject to the taxation of financial arrangements rules in relation to gains and losses on their Musgrave Shares.

All Musgrave Shareholders are advised to seek independent professional advice about the Australian and any foreign tax implications arising from the Offer for their particular circumstances.

### 10.2 CGT consequences on the disposal of Musgrave Shares for resident Shareholders

This Section applies to Musgrave Shareholders who are residents of Australia for Australian income tax purposes and hold their Musgrave Shares on capital account.

If a Musgrave Shareholder accepts the Offer and their Musgrave Shares are subsequently transferred to Westgold, this will trigger a CGT event for the Musgrave Shareholder. As a result:

- The Musgrave Shareholder will make a capital gain to the extent that the capital proceeds for the transfer exceeds the tax cost base of their Musgrave Shares, subject to the application of the CGT scrip for scrip rollover (see below) and/or the availability of the CGT discount (see below).
- Alternatively, a Musgrave Shareholder will make a capital loss to the extent that the reduced cost base of their Musgrave Shares is more than the capital proceeds. A capital loss may be used to offset a capital gain made in the same income year or be carried forward to offset a capital gain made in a future income year (subject to the satisfaction of certain loss recoupment tests which apply if the Musgrave Shareholder is a company).

The capital proceeds received for the disposal of the Musgrave Shares should be the market value of the Westgold Shares that each Musgrave Shareholder will receive under the Offer.

### **10.3 Cost base or reduced cost base of Musgrave Shares**

Generally, the cost base of Musgrave Shares should be equal to the amount paid to acquire the Musgrave Shares. Other incidental costs incurred by a Musgrave Shareholder in respect of their acquisition or ownership of Musgrave Shares (such as brokerage and undedicated borrowing costs) may also be included in the cost base of the Musgrave Shares they own.

The reduced cost base of Musgrave Shares is usually determined in a similar but not identical manner to the cost base although some differences in the calculation of reduced cost base do exist depending on the individual circumstances of each Musgrave Shareholder.

### **10.4 CGT scrip for scrip rollover**

Where Westgold acquires 80% or more of the Shares in Musgrave, a Musgrave Shareholder should be eligible to choose CGT scrip for scrip rollover relief under Subdivision 124-M of the Tax Act in respect of the disposal of Musgrave 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.

A Musgrave Shareholder 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 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.

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:

- any capital gain that the Musgrave Shareholder would have otherwise made on disposal of their Musgrave Shares under the Offer should be disregarded;
- 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
- 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 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 Offer, CGT scrip for scrip rollover relief will not be available for any Musgrave Shareholders.

## 10.5 CGT discount

The CGT discount may apply to Musgrave Shareholders who are individuals, complying superannuation funds or trusts, who have held, or are taken to have held, their Musgrave Shares for at least 12 months (not including the date of acquisition or the date of disposal) at the time of the disposal of their Musgrave Shares to Westgold.

The CGT discount is not available to a Musgrave Shareholder that is a company.

The CGT discount allows a Musgrave Shareholder who is an individual, or a trustee of a trust, who has not elected scrip for scrip CGT rollover relief, to discount the capital gain by 50%, thereby including only the remaining 50% of the capital gain in their assessable income for tax purposes.

A Musgrave Shareholder that is a complying superannuation entity who has not elected CGT scrip for scrip rollover relief, may discount the capital gain by 1/3, thereby only including 2/3 of the capital gain in the taxable income of that complying superannuation entity.

A Musgrave Shareholder will be eligible for the CGT discount provided:

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

## 10.6 CGT consequences on the disposal of Musgrave Shares for non-resident shareholders

This Section applies to Musgrave Shareholders who are not residents of Australia for Australian income tax purposes and hold their Musgrave Shares on capital account.

If you are a non-resident shareholder and accept this Offer you will not be entitled to receive Westgold Shares in exchange for your Musgrave Shares unless Westgold determines that:

- it is lawful and not unduly onerous and not unduly impracticable to issue you with Westgold Shares on acceptance of the Offer; and
- is not unlawful for you to accept the Offer by the law of the relevant place outside Australia or its external territories.

As set out in paragraph 14 of Schedule 1 of this Bidder's Statement, the Nominee will arrange for the Westgold Shares that are exchanged for your Musgrave Shares to be sold. You will receive the proceeds of sale (less brokerage and sale expenses) of the Westgold Shares calculated in accordance with the formula in paragraph 14 of Schedule 1.

For a Musgrave Shareholder who:

- is not a resident of Australia for income tax purposes; and
- does not hold their Musgrave Shares in carrying on a business through a permanent establishment in Australia,

the disposal of Musgrave Shares will generally only result in Australian CGT implications if their Musgrave Shares are “indirect Australian real property interests” (**IARPI**) under the Tax Act, which requires both of the following conditions to be satisfied:

- the Musgrave Shareholder, together with its associates, held 10% or more of the Musgrave Shares at the time of disposal or for any continuous 12 month period within two years preceding the disposal of their Musgrave Shares under the Offer (referred to as a 'Non-portfolio Interest' in Musgrave); and
- more than 50% of Musgrave's value is attributable to direct or indirect interests in 'taxable Australian real property' (as defined in the Tax Act) (**TARP Test**).

For such Musgrave Shareholders, they may be:

- liable for tax on any capital gains made from the disposal of the Musgrave Shares under the Offer and may be required to lodge an Australian income tax return in connection with their disposal of Musgrave Shares; and
- entitled to a partial application of the CGT discount (discussed above) if they meet the conditions discussed there and also acquired their Musgrave Shares on or before 8 May 2012.

Such Musgrave Shareholders will not be entitled to the scrip for scrip CGT rollover, as they will not be eligible to receive any Westgold Shares under the Offer (see in paragraph 14 of Schedule 1 of this Bidder's Statement).

#### **10.7 Foreign resident CGT withholding**

Generally, a foreign resident capital gains withholding tax equal to 12.5% of the capital proceeds applies to a transaction involving the acquisition of a share that is an IARPI (outlined above) from a “relevant foreign resident”. Generally, a “relevant foreign resident” would be any Musgrave Shareholder who, at the time that the Musgrave Shares are disposed of under the Offer:

- Westgold knows is a foreign resident for Australian income tax purposes;
- Westgold reasonably believes is a foreign resident for Australian income tax purposes;
- Westgold does not reasonably believe is an Australian resident for Australian income tax purposes and either: (i) the Musgrave Shareholder has an address outside Australia (according to any record that is in Westgold's possession or is kept or maintained on Westgold's behalf about the disposal of Musgrave Shares); or (ii) in respect of which, Westgold is authorised to provide a related financial benefit to a place outside Australia; or
- has a connection outside Australia of a kind specified in the relevant regulations under the Tax Act.

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 can provide a draft declaration for the Musgrave Shareholder to complete.

## **10.8 Stamp duty**

No stamp duty should be payable by Musgrave Shareholders on the acquisition by Westgold of their Musgrave Shares under the Offer or on the receipt by Musgrave Shareholders of the Westgold Shares as Offer Consideration.

## **10.9 Goods and Services Tax (GST)**

The sale of Musgrave Shares by existing shareholders as contemplated will not be subject to GST. Similarly, no GST will be payable on the acquisition of Westgold Shares.

GST may be payable on any fees or charges that a Controlling Participant (in respect of Shares in a CHESS Holding) or a Broker, bank, custodian or other nominee (in respect of Shares held for a separate beneficial owner) may charge in connection with acceptance of the Offer.

Where Musgrave Shareholders are registered or required to be registered for GST, any GST incurred on expenses that relate to the sale of existing shares or acquisition of new shares may not be recoverable if the individual 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.

Where Musgrave Shareholders are not registered, or required to be registered for GST, no GST implications should arise in relation to the Offer.

## **10.10 Obtain your own taxation advice**

Do not rely on the comments or the statements contained in this Bidder's Statement as advice about your own affairs. The taxation laws are complex and there could be implications in addition to those generally described in this Bidder's Statement.

Accordingly, consult your own tax advisers for advice applicable to your individual needs and circumstances. To the extent permitted by law, Westgold does not accept any responsibility for tax implications for individual Musgrave Shareholders.

Westgold is not a registered tax agent under the *Tax Agent Services Act 2009* (Cth) and cannot provide tax advice to specific Musgrave Shareholders. Musgrave Shareholders should obtain tax advice from a registered tax agent on the consequences of accepting the Offer.

## **11. Additional Information**

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### **11.1 Status of Offer Conditions**

The Offer is subject to a number of Offer Conditions detailed in the Offer Terms. Westgold will provide updates on any material developments relating to the status of these Offer Conditions through announcements to the ASX.

The date for giving the notice of the status of the Offer Conditions required by section 630(1) of the Corporations Act is [●] 2023 (subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

Westgold is not aware of any events or circumstances which would result in the non-fulfilment of any of the defeating Offer Conditions.

### **11.2 Date for determining holders of Musgrave Shares**

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

### **11.3 Expiry date**

No securities will be issued on the basis of the Offer contained in this Bidder Statement after the date that is 13 months after the date of this Bidders Statement.

### **11.4 Ineligible Foreign Shareholders and Small Parcel Holders**

If you are an Ineligible Foreign Shareholder or a Small Parcel Holder and you accept the Offer, the Westgold Shares which would otherwise have been issued to you will instead be issued to the Nominee approved by ASIC, who will then sell these securities.

The net proceeds of the sale of such securities will then be remitted to the relevant Ineligible Foreign Shareholder or Small Parcel Holder.

The Offer is not registered in any jurisdiction outside Australia or its external territories or New Zealand. It is your sole responsibility to satisfy yourself that you are permitted by any law of a country other than Australia or its external territories or New Zealand applicable to you to accept these Offer and to comply with any other necessary formality and to obtain any necessary governmental or other consents.

Refer to paragraph 14 of Schedule 1.

### **11.5 ASIC relief**

ASIC has published various "Class Order" instruments providing for modifications and exemptions that apply generally to all persons, including Westgold, in relation to the operation of Chapter 6 of the Corporations Act. Westgold may rely on this class order relief.

#### **(a) ASIC Class Order 13/521**

Westgold has relied on the modification to section 636(3) of the Corporations Act set out in paragraph 5 of ASIC Class Order 13/521 "Takeover Bids" to include references to certain statements by Westgold, Musgrave and other persons in this Bidder's Statement without obtaining the consent of those persons.

As required by ASIC Class Order 13/521 "Takeover Bids", Westgold will make available a copy of the documents containing these statements (or relevant extracts from these

documents) free of charge within two Business Days to Musgrave Shareholders who request them before the end of the Offer Period. To obtain a copy of these documents (or the relevant extracts), Musgrave Shareholders may contact the Offer Information Line.

Westgold has also relied on the modification to section 619(3) of the Corporations Act as set out in paragraph 4 of ASIC Class Order 13/521 "Takeover Bids", in relation to the appointment of a nominee in respect of the Ineligible Foreign Shareholders and the Small Parcel Holders. Westgold will cause an entity to be appointed either before or after the date of this Bidder's Statement, to act as the Nominee appointed by Westgold in relation to the Offer for the sales referred to in Section 11.4.

**(b) ASIC Corporations (Consents to Statements) Instruments 2016/72**

As permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this Bidder's Statement contains security price trading data sourced from IRESS without their consent, and otherwise may include or be accompanied by certain statements fairly representing a statement by an official person or from a public official document or a published book, journal or comparable publication.

**(c) ASIC Corporations (Minimum Bid Price) Instrument 2015/1068**

Westgold may rely on the provisions of *ASIC Corporations (Minimum Bid Price) Instrument 2015/1068*, which provides relief from the requirement in section 621(4) of the Corporations Act and allows a bidder up to five Business Days before the date of the takeover bid to value the quoted securities being offered as consideration under the takeover bid, for the purposes of determining whether the value of its bid consideration at least equals the maximum value of consideration paid by the bidder for bid class securities in the four months prior to the date of the offer.

Relying on that relief, Westgold may value the Westgold Shares to be provided under the Offer at the Valuation Date. The valuation is determined by calculating the VWAP of the Westgold Shares in the ordinary course of trading on ASX and during two full days before the Valuation Date.

Under section 621(4A) of the Corporations Act (as inserted into the Corporations Act by the *ASIC Corporations (Minimum Bid Price) Instrument 2015/1068*) the following information is provided:

- the value of Westgold Shares under section 621(4A): \$[●] per Westgold Share;
- the Valuation Date: [●]; and
- the trading days on which the valuation is based: [●] and [●].

The value of the Offer per Musgrave Share for the purpose of section 621 of the Corporations Act using this valuation is therefore \$[●]. This value exceeds the maximum value of consideration paid by Westgold and its associates for Musgrave Shares in the four months prior to the date of the Offer.

### 11.6 Interests of Westgold Directors in Westgold securities

As at the date of this Bidder's Statement, the Westgold Directors had the following Relevant Interest in Westgold securities:

| Name*              | Shares  | Options | Performance rights |
|--------------------|---------|---------|--------------------|
| Cheryl Edwardes AM | 6,122   | -       | -                  |
| Wayne Bramwell     | 50,000  | -       | 587,668            |
| Gary Davison       | -       | -       | -                  |
| Fiona Van Maanen   | 435,521 | -       | -                  |
| Julius Matthys     | 112,658 | -       | -                  |
| David Kelly        | -       | -       | -                  |

*\*And / or their associates*

### 11.7 Interest of Westgold Directors in Musgrave Shares

As at the date of this Bidder's Statement, none of the Westgold Directors have a Relevant Interest in, or voting power in relation to, Musgrave Securities.

### 11.8 Indemnity and insurance

The Westgold constitution permits the grant of an indemnity (to the maximum extent permitted by law) in favour of any current or former Director of Westgold or company secretary of Westgold.

Westgold has entered into deeds of indemnity and access with all current Directors of the Westgold Group. This indemnity is against liability to third parties by such officers unless excluded by law. The indemnity also covers costs or expenses incurred by an officer in defence of proceedings relating to that person's position. Westgold also maintains an insurance policy in respect of certain present and future officers of the Westgold Group against certain liability incurred in that capacity.

### 11.9 Other interests of directors and advisers of the Westgold Group

Except as set out below or elsewhere in this Bidder's Statement, no:

- Director or proposed Director of Westgold;
- person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement; or
- promoter of Westgold,

holds, or held in the two year period ending on the date of this Bidder's Statement, any interest in:

- the formation or promotion of Westgold;
- property acquired or proposed to be acquired in Westgold in connection with its formation or promotion or the Offer; or
- the offer of Westgold Shares under the Offer.

DLA Piper Australia has acted as legal advisor to Westgold in relation to the Offer and is entitled to professional fees in accordance with its normal time-based charges.

Argonaut PCF has acted as financial advisor to Westgold in relation to the Offer. The fee for professional services expected to be payable to Argonaut PCF in connection with the Offer is approximately \$550,000.

Computershare has acted as Westgold's share registry service provider in connection with the Offer and is entitled to professional fees in accordance with its normal time-based charges.

Computershare is Westgold's share registry and has been engaged by Westgold to assist with certain aspects of the Offer, including facilitating the despatch of this Bidder's Statement. Computershare is entitled to receive fees for these services as well as fees for its services as Westgold's share registry.

Except as disclosed in this Bidder's Statement, no amount of any kind (whether in cash or shares or otherwise) has been paid or agreed to be paid to any Director or proposed Director of Westgold or to any company or firm with which a director is associated to induce him or her to become, or to qualify as, a Director of Westgold or otherwise for services rendered by him or her or any company or firm with which the Westgold Director is associated in connection with the promotion or formation of Westgold or the Offer.

#### **11.10 Consents**

As noted in Section 11.9:

- DLA Piper Australia has acted as legal adviser to Westgold;
- Argonaut PCF has acted as financial advisor to Westgold; and
- Computershare has acted as share registry to Westgold.

Each of these entities is named solely for information purposes and consents to being named in this Bidder's Statement in the form and context in which its name appears and has not withdrawn its consent to be named prior to the lodgement of this Bidder's Statement, but:

- has not caused or authorised the issue of the Bidder's Statement;
- does not make nor purport to make any statement in the Bidder's Statement or any statement on which a statement in the Bidder's Statement is based; and
- to the maximum extent permitted by law, disclaims all liability in respect of, and takes no responsibility for, any part of this Bidder's Statement.

There are a number of persons referred to elsewhere in this Bidder's Statement who are not experts and who have not made statements included in this Bidder's Statement nor are there any statements made in this Bidder's Statement on the basis of any statements made by those persons. These persons did not consent to being named in the Bidder's Statement and did not authorise or cause the issue of the Bidder's Statement.

#### **11.11 JORC compliance statements**

##### **(a) Westgold**

The information in relation to the Mineral Resources and Ore Reserves of Westgold is extracted from the Westgold announcement “Resources and Reserves Statement 2022”. Refer to the ASX release on 23 September 2022 for the Westgold “Resources and Reserves Statement 2022” and the accompanying assumptions, technical parameters and explanatory notes.

At the date of this Bidder’s Statement, Westgold is not aware of any new information or data that materially affects the information included in the original announcement and, in the case of estimates of Mineral Resources or Ore Reserves, considers that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

##### **(b) Musgrave**

Westgold has not independently verified the information relating to Musgrave’s Mineral Resources contained in this Bidder’s Statement. Please refer to Musgrave’s announcement released to ASX on 31 May 2022 entitled “Cue Mineral Resources increases to 927,000 ounces” for further details and for the Competent Person’s Statement relating to Musgrave’s Mineral Resources.

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

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

#### **11.13 No other material information**

Except as disclosed in this Bidder’s Statement, there is no information known to Westgold that is material to the making of the decision by a Musgrave Shareholder whether or not to accept the Offer which has not previously been disclosed to Musgrave Shareholders.

## 12. Definitions and interpretations

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### 12.1 Defined terms

In this Offer, the following words have these meanings unless the contrary intention or the context otherwise requires:

**Acceptance Form** means the form of acceptance and transfer enclosed with this Bidder's Statement and forms part of the Offer (the instructions on which are for guidance only and do not form part of this Offer).

**Accounting Standards means:**

- (a) the accounting standards made by the Australian Accounting Standards Board in accordance with the Corporations Act, and the requirements of that 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 Cost.

**AIFRS** means the Australian International Financial Reporting Standards.

**AISC** means All-in Sustaining Cost.

**Announcement Date** means the date of the announcement of the Offer to acquire all of Your Musgrave Shares by Westgold, being 6 June 2023.

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

**ASTC** means the ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532), the body which administers CHESS.

**ASTC Settlement Rules** means the settlement rules of ASTC.

**ASX** means ASX Limited ACN 008 624 691 and, where the context requires, the financial market that it operates.

**ASX Listing Rules** means the Official Listing Rules of ASX.

**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.

**A\$ or \$** means Australian dollars.

**Bid or Takeover Bid** means an off-market bid by Westgold for all Musgrave Shares under Chapter 6 of the Corporations Act.

**Bid Period** has the meaning given in the Corporations Act.

**Bidder's Statement** means this document.

**Board of Musgrave** or **Musgrave Board** means the board of Directors of Musgrave.

**Board of Westgold** or **Westgold Board** means the board of Directors of Westgold.

**Broker** means a member organisation admitted to participate in the CHESS under the ASTC Settlement Rules.

**Business Day** means a day on which banks are open for business in Perth excluding a Saturday, Sunday or public holiday.

**CGT** means Capital Gains Tax.

**CHESS** means Clearing House Electronic Subregister System, which provides for the electronic transfer of securities in Australia.

**CHESS Holding** means a holding of Shares on the CHESS Subregister of Musgrave.

**CHESS Subregister** has the meaning set out in the ASTC Settlement Rules.

**Combined Group** means the Westgold Group (including the Musgrave Group) which will exist as a result of the Takeover Bid as constituted by this Offer, should the Offer be successful and Musgrave becomes a subsidiary of Westgold.

**Competent Persons Statement** means the term given in the JORC Code.

**Controlling Participant** has the meaning given in the ASX Settlement Rules, and is usually a person, such as a Broker, with whom you have a sponsorship agreement (within the meaning of the ASX Settlement Rules).

**Control** has the meaning given in section 50AA of the Corporations Act.

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

**C1** means C1 Cash Cost.

**DRP** means the Westgold dividend reinvestment plan as subject to the Westgold dividend reinvestment plan rules revised by Westgold on 6 September 2021 (as amended from time to time).

**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.

**Equity Security** means:

- (a) any share;

- (b) preference share, option, warrant, debenture or any other 'security' (as that term is defined in section 92(1) of the Corporations Act) or obligation which, by its terms, is directly or indirectly convertible into, or exchangeable for shares; and
- (c) any other option, warrant or other right for subscription or purchase in respect to Musgrave Shares or such other securities.

**Evolution or Evolution Mining** means Evolution Mining Limited (ACN 084 669 036).

**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.

**Holder Identification Number** means the number used to identify a shareholder on the CHESS Subregister of Musgrave.

**Ineligible Foreign Shareholders** means a Musgrave Shareholder whose address in the register of members is:

- (a) a place outside of Australia and its external territories and New Zealand; or
- (b) a jurisdiction that Westgold determines (in its absolute discretion) that it is lawful, not unduly onerous and not unduly impracticable to make the Offer to that Musgrave Shareholder in the relevant jurisdiction and to issue Westgold Shares to that Ineligible Foreign Shareholder, on the completion of the Offer, is lawful for that Ineligible Foreign Shareholder to participate in the Offer by the law of the relevant jurisdiction.

**Instructions** means those instructions on how to accept the Offer set out more particularly on the Acceptance Form.

**Issuer Sponsored Holding** means a holding of Shares on the Issuer Sponsored Subregister of Musgrave.

**Issuer Sponsored Subregister** has the meaning given in the ASX Settlement Rules.

**JORC Code** means the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition).

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

**Last Practicable Date** means 8 June 2023, being the last practicable day on which Musgrave Shares were traded prior to the date of this Bidder's Statement.

**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 Resources** has the meaning given in the JORC Code.

**Minimum Acceptance Condition** means the Offer Condition in paragraph 8.1 of Schedule 1.

**Minimum Bid Price Condition** means the Offer Condition in paragraph 8.6 of Schedule 1.

**Musgrave** means Musgrave Minerals Limited ACN 143 890 671.

**Musgrave Director** or **Director of Musgrave** means a director of Musgrave.

**Musgrave Group** means Musgrave and its Related Entities.

**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 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 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 Options** means the unlisted Options under the codes MGVAC, MGVAB, MGVAZ, MGVD, MGVAAB and MGVAAB.

**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 Securities** means a Musgrave Share, Musgrave Option and any other Equity Securities issued in Musgrave.

**Musgrave Shareholder** means a holder of Musgrave Shares.

**Musgrave Shares** means the fully paid ordinary shares in the capital of Musgrave.

**Musgrave Register** means the Register of Musgrave Shareholders maintained by Musgrave in accordance with 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 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 the Bidder);
- (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.

**Nominee** means the sale nominee approved by ASIC.

**Offer** means Westgold's offer to acquire Musgrave Shares as contained in Schedule 1 of this Bidder's Statement.

**Offer Condition** has the meaning given in paragraph 1.3 of Schedule 1.

**Offer Consideration** has the meaning given in paragraph 1.2 of Schedule 1.

**Offer Date** means the date on which the Offer was first made to Musgrave Shareholders, being [●] 2023.

**Offer Period** means the period during which the Offer will remain open for acceptance in accordance with paragraph 2 of Schedule 1.

**Offer Terms** means the terms and conditions of the Offer set out in Schedule 1.

**Ore Reserve** means the term given in the JORC Code.

**Participant** means the term given in the ASX Settlement Operating Rules.

**Public Authority** means any federal, provincial, state or other government, governmental or public department, court, tribunal, administrative, statutory or judicial entity, arbitral body, securities commission or stock exchange (such as ASX).

**Register Date** means 5.00pm (Perth time) on 11 June 2023, being the time and date set by Westgold under section 633(2) of the Corporations Act.

**Regulatory Approvals** means any consent, registration, filing, agreement, notarisation, certificate, licence, approval, permit, authority or exemption from, by or with a Governmental Agency necessary to implement the Offer.

**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 in the Corporations Act as if sections 609(6) and 609(7) were omitted.

**Rights** means all rights and benefits directly or indirectly attaching to or arising from ownership of Musgrave Shares on or after the Announcement Date, including without limitation all rights to receive dividends or other distributions declared, determined to be paid, made or paid by Musgrave, all rights to receive or subscribe for shares, notes, bonds, options or other securities or entitlements issued by Musgrave or any member of the Musgrave Group and all other rights exercisable by you as a holder of Musgrave Shares.

**Securityholder Reference Number** means the number allocated by Musgrave to identify a Shareholder on the Issuer Sponsored Subregister of Musgrave.

**Shareholder Protections** means those provisions under the Musgrave constitution, Corporations Act and the ASX Listing Rules intended for the protection of minority shareholders, and the statutory and fiduciary obligations of the Musgrave Directors at the time to act in the best interests of Musgrave and all Musgrave Shareholders.

**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 this Bidder's Statement until the earlier of the end of the Offer Period and five ASX trading days before the first day on which Westgold must provide the Offer Consideration under the Offer.

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

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

**Takeovers Panel** means the takeovers panel having powers under Part 6.10 of the Corporations Act.

**Target's Statement** means the target's statement to be issued by Musgrave in response to this Bidder's Statement as required under the Corporations Act.

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

**Third Party** means any of the following:

- (a) a person other than a Westgold Group member or a Musgrave Group member; or
- (b) a consortium, partnership, limited partnership, syndicate or other group in which no Westgold Group member has agreed to be a participant.

**Valuation Date** means any date nominated by Westgold up to five Business Days before the date of the Offer.

**VWAP** means the volume weighted average price.

**Westgold** means Westgold Resources Limited (ACN 009 260 306).

**Westgold Directors** or **Directors of Westgold** means the directors of Westgold.

**Westgold Group** means Westgold and its Related Entities.

**Westgold Option** means an option to acquire a Westgold Share.

**Westgold Securities** means a Westgold Share, Westgold Option and any other Equity Securities issued in Westgold.

**Westgold Shareholder** means a holder of Westgold Shares.

**Westgold Shares** means ordinary fully paid shares in Westgold.

**Your Musgrave Shares** means, subject to paragraphs 1.5 and 4.5 of Schedule 1, the Musgrave Shares:

- (a) in respect of which you are registered, or entitled to be registered, as holder in the register of members of Musgrave on the Register Date; or
- (b) to which you are able to give good title at the time you accept this Offer during the Offer Period.

## 12.2 Interpretation

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

- (a) any reference, express or implied, to any legislation in any jurisdiction includes:
  - (i) that legislation as amended, extended or applied by or under any other legislation made before or after the Announcement Date;
  - (ii) any legislation which that legislation re-enacts with or without modification; and
  - (iii) any subordinate legislation made before or after the Announcement Date under that legislation, including (where applicable) that legislation as amended, extended or applied as described above, or under any legislation which it re-enacts as described above;
- (b) references to persons or entities include natural persons, bodies corporate, partnerships, trusts and unincorporated associations of persons;
- (c) references to an individual or a natural person include his estate and personal representatives, successors or assigns;
- (d) a reference to a section or annex is a reference to a section of or annex to this Bidder's Statement (and the annexes form part of this Bidder's Statement);
- (e) a reference to any instrument or document includes any variation or replacement of it;
- (f) a reference to you is to a person to whom the Offer in Schedule 1 is made or is taken to be made;
- (g) a reference to an Offer Condition being waived, or to the waiver of an Offer Condition, is to Westgold freeing the Offer and any contract resulting from acceptance of the Offer from that Offer Condition in accordance with section 650F of the Corporations Act;
- (h) unless otherwise indicated, a reference to any time is a reference to that time in Perth, Australia;
- (i) unless otherwise indicated, a reference to \$, A\$, dollars or cents is to Australian currency;
- (j) singular words include the plural and vice versa;
- (k) a word of any gender includes the corresponding words of any other gender;
- (l) if a word or phrase is defined, other grammatical forms of that word have a corresponding meaning;
- (m) a term that is defined in the Corporations Act and is not otherwise defined in this Bidder's Statement has the meaning given to it in the Corporations Act (and where any such term has a special meaning for the purposes of chapter 6 or 6A of the Corporations Act has that special meaning);
- (n) general words must not be given a restrictive meaning just because they are followed by particular examples intended to be embraced by the general words; and
- (o) the headings do not affect interpretation.

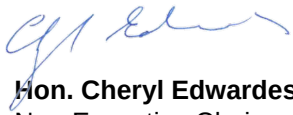
### 13. Approval of Bidder's Statement

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This Bidder's Statement has been approved by a unanimous resolution passed by the Westgold Directors.

Dated: 9 June 2023

Signed for an on behalf of **Westgold Resources Limited**



**Hon. Cheryl Edwardes AM**  
Non-Executive Chair  
Westgold Resources Limited

## **Schedule 1      Terms and Conditions of the Offer**

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In this Schedule 1, a reference to a paragraph is a reference to a paragraph in this Schedule 1.

### **1.      Offer**

#### **1.1      Offer is for Your Musgrave Shares and all attaching Rights**

By accepting the Offer, you undertake to transfer to Westgold not only Your Musgrave Shares, but also all Rights attached to them.

#### **1.2      Consideration**

- (a)      The Offer Consideration is 1 Westgold Shares for every 5.37 of Your Musgrave Shares, subject to the Offer Terms.
- (b)      You will receive the Offer Consideration in accordance with paragraph 7.
- (c)      The Westgold Shares to be issued are ordinary shares in Westgold and will be credited as fully paid and have the rights summarised in Section 3.5 of this Bidder's Statement.

#### **1.3      Conditions to the Offer**

Subject to paragraph 9, the Offer and any contract that results from an acceptance of the Offer is subject to the Offer Conditions.

#### **1.4      Persons to whom the Offer is made**

Westgold is making an offer in the form of the Offer to:

- (a)      each person registered as a holder of Musgrave Shares in the Musgrave Register as at 5.00pm (Perth time) on the Register Date;
- (b)      each person who during the Offer Period becomes registered, or entitled to be registered, as a holder of any Musgrave Shares on issue as at 5.00pm (Perth time) on the Register Date; and
- (c)      each person who holds one or more Musgrave Options that are on issue at the Register Date and that come to be Musgrave Shares during the period from the Register Date to the end of the Offer Period.

#### **1.5      Where someone else becomes entitled to some or all of Your Musgrave Shares**

If, at the time the Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of Your Musgrave Shares, then:

- (a)      a corresponding offer on the same terms and conditions as the Offer will be deemed to have been made to that other person in respect of those Musgrave Shares;
- (b)      a corresponding offer on the same terms and conditions as the Offer will be deemed to have been made to you in respect of any other Musgrave Shares you hold to which the Offer relates; and
- (c)      the Offer will be deemed to have been withdrawn immediately at that time.

## **1.6 Variation and withdrawal**

- (a) Westgold reserves the right to vary the Offer in accordance with the provisions of section 650D of the Corporations Act.
- (b) The Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions. If ASIC gives such consent, Westgold will give notice of the withdrawal to the ASX and to Musgrave and will comply with any other conditions imposed by ASIC.
- (c) If, at the time the Offer is withdrawn, all the Offer Conditions have been freed, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.
- (d) If, at the time the Offer is withdrawn, the Offer remains subject to one or more of the Offer Conditions, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant Offer Conditions have occurred).
- (e) A withdrawal pursuant to this paragraph 1.6 will be deemed to take effect:
  - (i) if the withdrawal is not subject to conditions imposed by ASIC, on and after the date on which that consent in writing is given by ASIC; or
  - (ii) if the withdrawal is subject to conditions imposed by ASIC, on and after the date on which those conditions are satisfied.

## **1.7 Date of Offer**

The Offer is dated [●] 2023.

## **2. Offer Period**

### **2.1 When the Offer can be accepted**

The Offer will remain open for acceptance during the period starting on the date of the Offer and ending at 5.00pm (Perth time) on [●] 2023, unless:

- (a) Westgold extends the Offer Period in accordance with the Corporations Act or the Offer Period is automatically extended as described in paragraph 2.3, in which case the Offer will remain open for acceptance until the end of the Offer Period as so extended; or
- (b) the Offer is withdrawn in accordance with the Corporations Act before the end of the Offer Period.

### **2.2 Westgold's right to extend Offer Period**

Westgold reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.

### **2.3 Automatic extension of Offer Period**

If, within the last seven days of the Offer Period either the Offer is varied to improve the Offer Consideration or Westgold's voting power in Musgrave increases to more than 50%, then the Offer Period will be automatically extended so that it ends 14 days after the relevant event.

### **3. Quotation of Westgold Shares**

- (a) The Westgold Shares offered as Offer Consideration will be issued by Westgold as fully paid ordinary shares and will rank equally with existing Westgold Shares from the date of issue.
- (b) Westgold has been admitted to the official list of the ASX. Securities of the same class as those to be issued as Offer Consideration have been granted official quotation by the ASX. Official quotation of securities by the ASX are not automatically granted on application.
- (c) Westgold will apply for official quotation on the ASX of the Westgold Shares to be issued under the Offer. Quotation will not be automatic but will depend on the ASX exercising its discretion.
- (d) Westgold cannot guarantee, and does not represent or imply, that Westgold Shares will be listed on the ASX following their issue.

### **4. Accepting the Offer**

#### **4.1 General**

- (a) Subject to paragraph 4.5, you may only accept the Offer for all of Your Musgrave Shares (and not for a lesser number).
- (b) You may accept the Offer at any time during the Offer Period.

#### **4.2 Musgrave Shares held in an Issuer Sponsored Holding**

To accept the Offer in respect of Musgrave Shares held in an Issuer Sponsored Holding (you have a Securityholder Reference Number starting with the letter 'I'), you must:

- (a) complete and sign the enclosed Acceptance Form in accordance with the Offer Terms and the instructions on the Acceptance Form; and
- (b) return it using the accompanying reply-paid envelope (together with all documents required by the instructions on it or by these Offer Terms) so that the original documents are received at the address shown on the Acceptance Form before the end of the Offer Period.

#### **4.3 Musgrave Shares held in a CHESS Holding**

To accept the Offer in respect of Musgrave Shares held in a CHESS Holding (you have a Holder Identification Number starting with the letter 'X'), you must do one of the following:

- (a) If Your Musgrave Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are not a Participant, you should instruct your Controlling Participant (for Musgrave Shareholders who are not institutions, this is normally the stockbroker either through whom you bought Your Musgrave Shares or through whom you ordinarily acquire shares on the ASX) to initiate acceptance of the Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period. If you instruct your Broker to accept the offer, you are not required to return the Acceptance Form yourself.

- (b) If Your Musgrave Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are a Participant, you should initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (c) Alternatively, to accept the Offer for Your Musgrave Shares held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you may:
  - (i) complete and sign the Acceptance Form in accordance with the Offer Terms of the Offer and the instructions on the Acceptance Form; and
  - (ii) return it using the accompanying reply paid envelope (together with all documents required by the instructions on it or by these Offer Terms) so that the original documents are received at the address shown on the Acceptance Form before the end of the Offer Period.
- (d) If Your Musgrave Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you must comply with any other applicable ASX Settlement Operating Rules.

Neither Westgold or Computershare will be responsible if your Controlling Participant does not acknowledge and confirm your acceptance in sufficient time.

#### **4.4 Musgrave Shares in respect of which you are entitled to be registered as holder**

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

- (a) complete and sign the Acceptance Form in accordance with the Offer Terms and the instructions on the form and return it (together with all documents required by those instructions or by these Offer Terms); and
- (b) ensure that it is received at the address shown on the Acceptance Form before the end of the Offer Period.

#### **4.5 Musgrave Shares you hold as trustee or nominee**

If at any time during the Offer Period you are registered or entitled to be registered as the holder of one or more parcels of Musgrave Shares as trustee or nominee for, or otherwise on account of another person, you may accept as if a separate offer on the same terms and conditions as the Offer had been made in relation to each of those parcels and in relation to any parcel you hold in your own right. To validly accept the Offer for each parcel, you must comply with the procedure in section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement or the Acceptance Form, please call the Offer Information Line on 1300 918 437 from within Australia (toll-free) or +61 3 9415 4393 from outside Australia (charges apply) between 8:30am and 5:00pm (AEST) Monday to Friday.

#### **4.6 Using the Acceptance Form**

The Acceptance Form which accompanies this Bidder's Statement forms part of the Offer Terms. If you use the Acceptance Form to accept the Offer you must follow the instructions on it. A reply paid envelope, which is valid if sent from within Australia, is enclosed for your use. The postage and transmission of the Acceptance Form and other documents is at your own risk.

#### **4.7 Acceptance Form not received in time**

If your Acceptance Form is not received at the address shown on the Acceptance Form before the end of the Offer Period or, in the case of an Acceptance Form used to accept the Offer in respect of Musgrave Shares in a CHESS Holding, in sufficient time to permit Westgold to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf in accordance with ASX Settlement Operating Rule 14.14 before the end of the Offer Period, then, subject to paragraph 5.3, your acceptance will not be valid.

### **5. Validity of acceptances**

#### **5.1 General**

Subject to this paragraph 5, your acceptance of the Offer will not be valid unless it is made in accordance with the procedures set out in paragraph 4.

#### **5.2 Westgold's right to determine questions of validity**

Westgold will determine, in its sole discretion, all questions as to eligibility to accept the Offer, the form of documents used to accept the Offer and the time of receipt of any acceptance of the Offer. Westgold is not required to communicate with you before or after making such a determination. The determination of Westgold will be final and binding on all parties.

#### **5.3 Westgold's discretion to deem acceptance valid**

Notwithstanding anything in paragraph 4, Westgold may, in its sole discretion, at any time and without further communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of Your Musgrave Shares, even if a requirement for acceptance set out in these Offer Terms has not been complied with. However, provision of the Offer Consideration may be delayed until any such non-compliance has been resolved or waived by Westgold and any other documents required to transfer Your Musgrave Shares to Westgold and register such transfer have been received by Westgold.

#### **5.4 Where acceptance valid only in respect of some of Your Musgrave Shares**

If you have satisfied the requirements for acceptance in respect of only some of Your Musgrave Shares, Westgold may, in its sole discretion, take the Offer to have been accepted in respect of those Musgrave Shares but not the balance of Your Musgrave Shares. Westgold will procure that the consideration is provided to you in accordance with paragraph 7, in respect of any part of an acceptance determined by Westgold to be valid.

### **6. Consequences of accepting the Offer**

#### **6.1 Revocation of acceptance**

- (a) Once you have accepted the Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you and you will be unable to withdraw that acceptance or otherwise dispose of Your Musgrave Shares to which the Offer relates, except as follows:
  - (i) if, by the relevant times specified in paragraph 6.1(b), the Offer Conditions have not been fulfilled or waived, the Offer will automatically terminate and Your Musgrave Shares the subject of your acceptance will be returned to you; or
  - (ii) if the Offer Period is extended for more than one month and the obligations of Westgold to deliver the Offer Consideration are postponed for more than one month and, at the time, the Offer remains subject to one or more of the Offer

Conditions, you may be able to withdraw your acceptance in relation to Your Musgrave Shares in accordance with section 650E of the Corporations Act. Should such rights arise, a notice will be sent to you at the relevant time explaining your rights in this regard.

- (b) The relevant times for the purposes of paragraph 6.1(a)(i) are:
  - (i) in relation to the Offer Condition in paragraph 8.1, the end of the third Business Day after the end of the Offer Period; and
  - (ii) in relation to all other Offer Conditions, the end of the Offer Period.

## **6.2 Deemed representations, warranties, undertakings and authorities**

- (a) By accepting the Offer pursuant to paragraph 4, you will be deemed to have:
  - (i) accepted the Offer (and any variation to it subject to section 650E of the Corporations Act) in respect of the Your Musgrave Shares, regardless of the number of Musgrave Shares specified in the Acceptance Form, subject to paragraph 4);
  - (ii) agreed to the Offer Terms and, subject to the Offer Conditions being fulfilled or waived, agreed to transfer (or consented to the transfer in accordance with the ASX Settlement Operating Rules) to Westgold all of Your Musgrave Shares;
  - (iii) agreed to accept the Offer Consideration being offered by Westgold and agreed to be bound by the Westgold constitution;
  - (iv) authorised Westgold (and any Director, secretary or nominee of Westgold) to alter the Acceptance Form on your behalf by inserting correct details of Your Musgrave Shares, filling in any blanks and correcting any errors in or omissions from the Acceptance Form as may be considered necessary by Westgold:
    - (A) to make the Acceptance Form an effective acceptance of the Offer; or
    - (B) to enable registration of the transfer to Westgold of Your Musgrave Shares;
  - (v) irrevocably authorised and directed Musgrave to pay to Westgold or to account to Westgold for all Rights which are declared, paid or which arise or accrue after the Announcement Date in respect of Your Musgrave Shares (subject to Westgold accounting to you for any Rights received by it if your acceptance of the Offer is validly withdrawn pursuant to section 650E of the Corporations Act or the contract resulting from that acceptance becomes void);
  - (vi) if you signed the Acceptance Form in respect of Musgrave Shares which are held in a CHESS Holding, irrevocably authorised Westgold (or any Director, secretary or agent of Westgold) to instruct your Controlling Participant to initiate acceptance of the Offer in respect of Your Musgrave Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules;
  - (vii) if you signed the Acceptance Form in respect of Musgrave Shares which are held in a CHESS Holding, irrevocably authorised Westgold (or any Director, secretary or agent of Westgold) to give any other instructions in relation to Your Musgrave Shares to your Controlling Participant, as determined by Westgold acting in its own interests as a beneficial owner and intended registered holder of those Musgrave Shares;

- (viii) irrevocably authorised Westgold to notify Musgrave on your behalf that your place of address for the purpose of serving notices upon you in respect of Your Musgrave Shares is the address specified by Westgold in the notification;
- (ix) agreed to indemnify Westgold in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Securityholder Reference Number or in consequence of the transfer of Your Musgrave Shares to Westgold being registered by Musgrave without production of your Holder Identification Number or your Securityholder Reference Number for Your Musgrave Shares;
- (x) represented and warranted to Westgold that, unless you have notified Westgold in accordance with paragraph 4.5, Your Musgrave Shares do not consist of separate parcels of Musgrave Shares;
- (xi) subject to all the Offer Conditions being fulfilled or waived, irrevocably authorised Westgold (and any nominee) to transfer ownership of Your Musgrave Shares, including transmitting a message in accordance with rule 14.17 of the ASX Settlement Operating Rules to transfer Your Musgrave Shares to Westgold Takeover Transferee Holding, or transfer of your Issuer Sponsored Holding by master transfer, regardless of whether it has paid the consideration due to you under the Offer;
- (xii) represented and warranted to Westgold as a fundamental condition going to the root of the contract resulting from your acceptance that:
  - (A) Westgold will acquire good title to and beneficial ownership of all of Your Musgrave Shares free from all mortgages, charges, liens, Encumbrances (whether legal or equitable) and other Third Party interests of any kind;
  - (B) you have paid Musgrave all amounts which are due in respect of Your Musgrave Shares;
  - (C) all of Your Musgrave Shares are fully paid; and
  - (D) you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership of Your Musgrave Shares (together with all Rights attached to them) to Westgold;
- (xiii) unless you are an Ineligible Foreign Shareholder or Small Parcel Holder, agreed to accept the Westgold Shares to which you become entitled by accepting the Offer, subject to Westgold's constitution and the terms of issue of the Westgold Shares and to have authorised Westgold to place your name on its register of shareholders as the holder of the Westgold Shares issued to you under the Offer;
- (xiv) acknowledged and agreed that if you are an Ineligible Foreign Shareholder or Small Parcel Holder, Westgold will arrange for any Westgold Shares otherwise issuable to you to be issued and sold, and the net proceeds to be remitted to you, as described in paragraph 14;
- (xv) if you reside outside of Australia or its external territories or New Zealand and are not an Ineligible Foreign Shareholder for the purposes of the Offer, represented and warranted to Westgold that the making of the Offer by Westgold to you, and your acceptance of the Offer is lawful under any law of a country other than Australia which apply to you to the making of the Offer and to your acceptance of the Offer;

- (xvi) with effect from the later of acceptance of the Offer and the date that any contract resulting from that acceptance becomes, or is declared unconditional, irrevocably appointed (and agreed not to revoke that appointment) Westgold and each of Westgold's Directors, secretaries and other officers from time to time severally as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning Your Musgrave Shares or in exercise of any right or power derived from the holding of Your Musgrave Shares including, without limitation:
- (A) attend and vote in respect of Your Musgrave Shares at any and all meetings of Musgrave;
  - (B) requisition or join with other Musgrave Shareholders in requisitioning and/or convening a meeting of the members of Musgrave;
  - (C) demand a poll for any vote to be taken at any meeting of Musgrave Shareholders;
  - (D) propose or second any resolutions to be considered at any and all meetings of Musgrave Shareholders;
  - (E) execute all forms, transfers, assignments, notices, instruments (including instruments appointing a Westgold Director as a proxy in respect of all or any of Your Musgrave Shares and a transfer form for Your Musgrave Shares), proxies, consents, agreements, and resolutions relating to Your Musgrave Shares;
  - (F) request Musgrave to register in the name of Westgold or its nominee Your Musgrave Shares which you hold on any register of Musgrave; and
  - (G) do all things incidental or ancillary to the foregoing,
- and to have agreed that in exercising the powers conferred by the power of attorney, the attorney shall be entitled to act in the interests of Westgold as the beneficial owner and intended registered holder of Your Musgrave Shares in respect of which you will do all such acts, matters and things that Westgold may require to give effect to the matters the subject of this paragraph 6 (including the execution of a written form of proxy to the same effect as this paragraph 6 which complies in all respects with the requirements of the constitution of Musgrave) if required by Westgold. This appointment is irrevocable and terminates upon registration of a transfer to Westgold of Your Musgrave Shares; and
- (xvii) for as long as paragraph 6.2(a)(xvi) applies, agreed not to vote in person, proxy or otherwise at any general meeting of Musgrave or to exercise (or purport to exercise) in person, proxy or otherwise, any of the powers conferred on Westgold and the Westgold Directors and secretaries and other officers of Westgold by paragraph 6.2(a)(xvi).
- (b) The representations, warranties, undertakings and authorities referred to in this paragraph 6.2 will (unless otherwise stated) remain in force after you receive the Offer Consideration for Your Musgrave Shares and after Westgold becomes registered as the holder of them.

## **7. Provision of consideration**

### **7.1 Time for provision**

Subject to the Offer Terms and the Corporations Act, if you accept the Offer and all of the Offer Conditions are fulfilled or waived, Westgold will procure that the Offer Consideration is provided to you for Your Musgrave Shares under the Offer at the earlier of:

- (a) one month after date of your acceptance, or if at the time of your acceptance the Offer is subject to an Offer Condition, one month after the Offer becomes unconditional; or
- (b) 21 days after the end of the Offer Period.

### **7.2 Delay in providing additional documents**

If the Acceptance Form requires additional documents to be provided with your acceptance, or Westgold subsequently requests such additional documents in order to give effect to your acceptance:

- (a) if those documents are given to Westgold with your acceptance, Westgold will pay you the Offer Consideration for Your Musgrave Shares in accordance with paragraph 7.1;
- (b) if Westgold receives those documents after your acceptance and before the end of the Offer Period and while the Offer is still subject to one or more Offer Conditions, Westgold will pay you the Offer Consideration at the earlier of:
  - (i) one month after the date on which the Offer becomes unconditional; or
  - (ii) 21 days after the end of the Offer Period.
- (c) if Westgold receives those documents after your acceptance and before the end of the Offer Period, and at a time when the Offer is not subject to any Offer Conditions, Westgold will pay you the Offer Consideration at the earlier of:
  - (i) one month after the date Westgold receives those documents; or
  - (ii) 21 days after the end of the Offer Period; and
- (d) if Westgold receives those documents after the end of the Offer Period, Westgold will pay you the Offer Consideration for Your Musgrave Shares:
  - (i) within 21 days after Westgold receives those documents; or
  - (ii) if the takeover contract is still subject to any of the Offer Conditions, within 21 days after that Offer Condition is satisfied.

### **7.3 Deductions in respect of Rights**

If you accept the Offer, Westgold is entitled to all Rights in respect of Your Musgrave Shares. Westgold may require you to provide all documents necessary to vest title to those Rights in Westgold or otherwise to give Westgold the benefit or value of those Rights. If you do not give those documents to Westgold, or if you have received the benefit of those Rights, Westgold will deduct from the Offer Consideration otherwise due to you the amount, or the value as reasonably assessed by Westgold, of those Rights.

#### **7.4 Method of payment**

Payment of any cash amount to which you are entitled will be made by cheque drawn in Australian currency in your favour. The cheque will be sent to you, at your risk, by ordinary mail (or, in the case of Musgrave Shareholders with addresses outside Australia, by airmail) to your address shown on the Acceptance Form or the last address that you notified to Westgold. Payment will be deemed to have been made at the time the cheque is delivered to Australia Post for delivery or placed in an Australia Post postal box.

#### **7.5 Westgold Share allotment**

The obligation of Westgold to issue and allot any Westgold Shares to which you are entitled will be satisfied by Westgold:

- (a) entering your name on the register of members of Westgold; and
- (b) dispatching or procuring the dispatch to you by pre-paid post to your address recorded in the Musgrave register of members at 5.00pm (Perth time) on the Register Date, an uncertified holding statement in your name. If Your Musgrave Shares are held in joint name, an uncertified holding statement will be issued in the name of, and forwarded to, the holder whose name appears first in Musgrave's register of members at 5.00pm (Perth time) on the Register Date.

#### **7.6 Authorisations and clearances**

If, at the time you accept the Offer, any authority or clearance of any Government Agency is required for you to receive the Offer Consideration under the Offer or you are a resident in or a resident of a place to which, or you are a person to whom:

- (a) Part 4 of the *Charter of the United Nations Act* 1945 (Cth) or any regulations thereunder;
- (b) any regulations made under the *Anti-Money Laundering and Counter-Terrorism Financing Act* 2006 (Cth);
- (c) the *Autonomous Sanctions Regulations* 2011 (Cth); or
- (d) any other law of Australia that would make it unlawful for Westgold to provide the Offer Consideration for Your Musgrave Shares,

applies, then your acceptance of the Offer will not create or transfer to you any right to receive the Offer Consideration unless and until all requisite authorities or clearances have been obtained by Westgold.

#### **7.7 Withholdings**

If any amount is required under any Australian law or by any Government Agency to be withheld from any Offer Consideration otherwise payable to you under the Offer and paid to a Government Agency, or retained by Westgold out of any consideration otherwise payable to you under the Offer, the payment or retention by Westgold of that amount will constitute full discharge of Westgold's obligation to pay that amount of Offer Consideration to you.

#### **8. Offer Conditions**

Subject to paragraph 9, the Offer and any contract that results from your acceptance of the Offer, is subject to the defeating conditions in this paragraph 8:

### **8.1 Minimum Acceptance Condition**

During, or at the end of, the 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.

### **8.2 No Musgrave Prescribed Occurrence prior to Offer Period**

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

### **8.3 No Musgrave Prescribed Occurrence during Offer Period**

No Musgrave Prescribed Occurrence occurs during the Offer Period.

### **8.4 No Musgrave Regulated Event**

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

### **8.5 No Musgrave Material Adverse Change**

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

### **8.6 Minimum Bid Price Condition**

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 Offer Consideration as a result of a fall in the value of a Westgold Share after the Announcement Date.

## **9. Operation of the Offer Conditions**

### **9.1 Offer Conditions are conditions subsequent**

Each of the Offer Conditions is a condition subsequent. The fact that any such Offer Condition is not fulfilled or waived does not prevent a contract to sell Your Musgrave Shares coming into effect when you accept the Offer but any breach or non-fulfilment will entitle Westgold, by notice in writing to you at any time before the Offer Condition is fulfilled or waived, to rescind any such contract as if it had not been formed.

### **9.2 Offer Conditions are separate**

Each Offer Condition constitutes, and is to be construed as, a separate, several and distinct Offer Condition. No Offer Condition will be taken to limit the meaning or effect of any other Offer Condition.

### **9.3 Benefit of Offer Conditions**

Subject to the Corporations Act, Westgold alone is entitled to the benefit of the Offer Conditions and any breach or non-fulfilment of any of the Offer Conditions may only be relied upon by Westgold. Westgold may at any time and from time to time waive (generally, or in respect of a particular event) the breach or non-fulfilment of any such Offer Condition or any part of such Offer Condition.

#### **9.4 Westgold's rights to waive Conditions**

Subject to the Corporations Act, Westgold may free the Offer and any contract resulting from your acceptance of the Offer from all or any of the Offer Conditions by giving written notice to Musgrave and the ASX in accordance with section 650F of the Corporations Act. Any such notice must be given:

- (a) in the case of the Offer Condition in paragraph 8.3 not later than three Business Days after the end of the Offer Period; and
- (b) in the case of all other Offer Conditions, not less than seven days before the end of the Offer Period.

#### **9.5 Conditions not fulfilled or waived**

Your acceptance of the Offer, and any contract resulting from your acceptance of the Offer, will be automatically void if at the end of the Offer Period (or in the case of the Offer Condition in paragraph 8.3, at the end of the third Business Day after the end of the Offer Period) any of the Offer Conditions have not been fulfilled or waived. If this occurs, Westgold will return to you, at your address shown in the Acceptance Form, your Acceptance Form together with all documents provided by you with the Acceptance Form. The return of those documents is at your risk.

#### **9.6 Notice of the status of Conditions**

The date for giving the notice as to the status of the Offer Conditions required by section 630(1) of the Corporations Act is [●] 2023 (subject to variation in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

#### **9.7 Statutory condition**

- (a) In accordance with section 625(3) of the Corporations Act, the Offer and any contract that results from your acceptance of it is subject to the further condition that:
  - (i) an application is made to the ASX within seven days of the start of the Bid Period for admission to official quotation by the ASX of the Westgold Shares to be issued under the Offer; and
  - (ii) permission for admission to official quotation by the ASX of the Westgold Shares to be issued under the Offer is granted no later than seven days after the end of the Offer Period.
- (b) This condition is not a defeating condition for the purposes of the Corporations Act and is not of the same nature as the Offer Conditions. The Offer cannot be freed of this condition and subsequently no statements made by Westgold can be taken to waive this condition. If this condition is not fulfilled, any contract resulting from your acceptance of the Offer will be automatically void.

#### **10. Costs and stamp duty**

Westgold will pay all costs and expenses of the preparation and distribution of this Bidder's Statement and any Australian stamp duty payable on the transfer of any Musgrave Shares to Westgold under the Offer.

## **11. Brokerage**

If Your Musgrave Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Westgold, you will not incur any brokerage on acceptance of the Offer. If Your Musgrave Shares are registered in a CHESS Holding or you hold Your Musgrave Shares through a bank, custodian or other nominee, you should ask your Controlling Participant, or the bank, custodian or other nominee whether it will charge any transaction fees or service charges in connection with your acceptance of the Offer.

## **12. Notices and communications**

Subject to the Corporations Act, a notice or other communication given by Westgold to you in connection with the Offer will be deemed to be duly given if it is in writing and is delivered or sent by ordinary mail (or in the case of an address outside Australia, by airmail) to you at your address as recorded on the register of members of Musgrave or the address shown on the Acceptance Form.

## **13. Foreign laws**

The Offer is not registered in any jurisdiction outside Australia or its external territories or New Zealand (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept the Offer.

## **14. Ineligible Foreign Shareholders and Small Parcel Holders**

- (a) If you are an Ineligible Foreign Shareholder or a Small Parcel Holder, you will not be entitled to receive Westgold Shares as part of the Offer Consideration.
- (b) Instead, Westgold will:
  - (i) arrange for the issue to the Nominee of the number of Westgold Shares to which you and all other Ineligible Foreign Shareholders and Small Parcel Holders would have been entitled but for this paragraph 14. Westgold may issue the Westgold Shares to the Nominee in batches;
  - (ii) 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
  - (iii) cause the Nominee to pay to you the amount ascertained in accordance with the formula, being your pro rata share of the proceeds from the Westgold Shares sold in the relevant sale tranche, less brokerage and sales expenses:

$$P \times SS / TS$$

Where:

- P is the amount which is received by the Nominee upon the sale of the Westgold Shares in the relevant tranche under this paragraph 14 less brokerage and sales expenses;
- SS is the number of Westgold Shares which would, but for this paragraph 14, have been provided to you as Offer Consideration; and
- TS is the total number of Westgold Shares issued to the Nominee in the relevant tranche under this paragraph 14.

- (c) Neither Westgold nor the Nominee gives any undertaking, representation or warranty or assurance as to the price that will be achieved for the sale of Westgold Shares described in this paragraph 14.
- (d) You will receive your share of the proceeds of the sale of the Westgold Shares by the Nominee in Australian currency.
- (e) 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.
- (f) 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.
- (g) The Nominee may sell the Westgold Shares in such manner, at such price or prices and on such terms as the Nominee determines. The Nominee will sell the Westgold Shares on the ASX as soon as practicable and has the sole and complete discretion with regards to the number of tranches in which to sell the Westgold Shares that are issued to them.
- (h) If Westgold determines amounts must be withheld to comply with Australian taxation laws, Westgold may do so.

**15. Governing law**

The Offer and any contract resulting from your acceptance of the Offer are governed by the laws in force in Western Australia.

## Company directory

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### Directors

Hon. Cheryl Edwardes AM (Non-Executive Chair)

Wayne Bramwell (Managing Director)

Gary Davison (Non-Executive Director)

Fiona Van Maanen (Non-Executive Director)

Julius Matthys (Non-Executive Director)

David Kelly (Non-Executive Director)

### Registered Office

Level 6, 200 St Georges Terrace  
Perth WA 6000

### Company Secretary

Susan Park

### Share registry

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

### Financial adviser

Argonaut PCF Limited  
Level 30, Allendale Square  
77 St Georges Terrace  
Perth WA 6000

### Legal adviser

DLA Piper Australia  
Level 21, 240 St Georges Terrace  
Perth WA 6000

### Offer Information Line

1300 918 437 from within Australia (toll-free) or  
+61 3 9415 4393 from outside Australia (charges  
apply) between 8:30am and 5:00pm (AEST)  
Monday to Friday.

### Website

[www.westgold.com.au](http://www.westgold.com.au)

## Attachment A - Westgold ASX Announcements

Westgold made the following announcements to ASX during the period after the lodgement of Westgold's FY22 Annual Report on 21 October 2022 and before the issue of this Bidder's Statement:

|                  |                                                          |
|------------------|----------------------------------------------------------|
| 8 June 2023      | Bluebird Delivers Another Production Record              |
| 6 June 2023      | Takeover Offer Presentation for Musgrave Minerals        |
| 6 June 2023      | Westgold Announces Takeover Offer for Musgrave           |
| 31 May 2023      | Great Fingall Resource Grows to Half Million Ounces      |
| 23 May 2023      | Great Fingall Deeps – Outstanding Drill results Continue |
| 11 May 2023      | CG Global Metals & Mining Conference Presentation        |
| 9 May 2023       | Bluebird Expansion Update                                |
| 26 April 2023    | March Quarter FY23 Investor Update                       |
| 26 April 2023    | March Quarterly Report                                   |
| 24 April 2023    | Q3 Investor Update Webcast                               |
| 12 April 2023    | Change in substantial holding                            |
| 12 April 2023    | Production Update - Q3, FY23                             |
| 3 April 2023     | April Corporate Update                                   |
| 29 March 2023    | Big Bell Expansion Drilling Update                       |
| 27 March 2023    | Great Fingall Deeps Drilling Update                      |
| 13 March 2023    | Big Bell Operational Update                              |
| 8 March 2023     | Change in substantial holding for AME                    |
| 2 March 2023     | Red Cloud Pre-PDAC Mining Showcase Presentation          |
| 24 February 2023 | Half Year Results Summary                                |
| 24 February 2023 | Half-Year Financial Report 31 December 2022              |
| 8 February 2023  | Bluebird Drilling Update                                 |
| 3 February 2023  | Notification of cessation of securities - WGX            |
| 1 February 2023  | February Corporate Update                                |
| 27 January 2023  | December 2022 Quarterly Report & Presentation - Amended  |
| 25 January 2023  | Presentation - December Quarterly Overview               |
| 25 January 2023  | December 2022 Quarterly Report                           |
| 23 January 2023  | Investor Update Webcast December 2022 Quarter            |

|                  |                                                    |
|------------------|----------------------------------------------------|
| 19 January 2023  | Ceasing to be a substantial holder                 |
| 16 January 2023  | Key Management Appointment                         |
| 11 January 2023  | Bluebird Expansion and Drilling Update             |
| 29 December 2022 | Change in substantial holding                      |
| 23 December 2022 | Ceasing to be a substantial holder from MUFG       |
| 23 December 2022 | Ceasing to be a substantial holder from MS         |
| 22 December 2022 | Becoming a substantial holder from MUFG            |
| 22 December 2022 | Ceasing to be a substantial holder                 |
| 22 December 2022 | Becoming a substantial holder from MS              |
| 22 December 2022 | Ceasing to be a substantial holder from MUFG       |
| 21 December 2022 | Becoming a substantial holder                      |
| 21 December 2022 | Ceasing to be a substantial holder from MS         |
| 20 December 2022 | Ceasing to be a substantial holder                 |
| 20 December 2022 | Westgold Tracking to FY23 Guidance                 |
| 15 December 2022 | Becoming a substantial holder from MUFG            |
| 15 December 2022 | Becoming a substantial holder from MS              |
| 14 December 2022 | Becoming a substantial holder                      |
| 14 December 2022 | Change of Director's Interest Notice - W. Bramwell |
| 14 December 2022 | Notification regarding unquoted securities - WGX   |
| 14 December 2022 | Ceasing to be a substantial holder from MUFG       |
| 14 December 2022 | Ceasing to be a substantial holder from MS         |
| 13 December 2022 | Ceasing to be a substantial holder                 |
| 13 December 2022 | Change in substantial holding                      |
| 12 December 2022 | Ceasing to be a substantial holder                 |
| 9 December 2022  | Becoming a substantial holder from MUFG            |
| 9 December 2022  | Becoming a substantial holder from MS              |
| 8 December 2022  | Ceasing to be a substantial holder from MUFG       |
| 8 December 2022  | Becoming a substantial holder                      |
| 7 December 2022  | Ceasing to be a substantial holder from MS         |
| 7 December 2022  | Ceasing to be a substantial holder                 |

|                  |                                                              |
|------------------|--------------------------------------------------------------|
| 6 December 2022  | Change in substantial holding                                |
| 5 December 2022  | Change in substantial holding from MUFG                      |
| 5 December 2022  | Change in substantial holding from MS                        |
| 5 December 2022  | Westgold Achieves Quarter Million Ounce Milestone at Fortnum |
| 2 December 2022  | Becoming a substantial holder from MUFG                      |
| 2 December 2022  | Change in substantial holding                                |
| 2 December 2022  | Becoming a substantial holder from MS                        |
| 1 December 2022  | Becoming a substantial holder                                |
| 1 December 2022  | Becoming a substantial holder                                |
| 25 November 2022 | Results of Annual General Meeting                            |
| 25 November 2022 | 2022 Annual General Meeting Presentation                     |
| 23 November 2022 | Big Bell Expansion Study                                     |
| 11 November 2022 | Change in substantial holding                                |
| 7 November 2022  | Ceasing to be a substantial holder from MUFG                 |
| 7 November 2022  | Initial Director's Interest Notice - D. Kelly                |
| 7 November 2022  | Ceasing to be a substantial holder from MS                   |
| 4 November 2022  | Ceasing to be a substantial holder                           |
| 4 November 2022  | Becoming a substantial holder                                |
| 3 November 2022  | Ceasing to be a substantial holder                           |
| 3 November 2022  | Ceasing to be a substantial holder from MS                   |
| 2 November 2022  | Change in substantial holding from MUFG                      |
| 1 November 2022  | Becoming a substantial holder from MS                        |
| 1 November 2022  | Change in substantial holding                                |
| 31 October 2022  | Becoming a substantial holder from MUFG                      |
| 28 October 2022  | Becoming a substantial holder                                |
| 28 October 2022  | Ceasing to be a substantial holder from MUFG                 |
| 27 October 2022  | Ceasing to be a substantial holder                           |
| 27 October 2022  | Presentation - September Quarterly Overview                  |
| 27 October 2022  | September 2022 Quarterly Report                              |
| 26 October 2022  | Ceasing to be a substantial holder                           |

|                 |                                                           |
|-----------------|-----------------------------------------------------------|
| 26 October 2022 | Bonanza-Grade Drill Results From Consols Lode             |
| 24 October 2022 | Becoming a substantial holder from MUFG                   |
| 24 October 2022 | Investor Update Webcast - September 2022 Quarter          |
| 24 October 2022 | Letter to Shareholders - Notice of Annual General Meeting |
| 24 October 2022 | Notice of Annual General Meeting/Proxy Form               |
| 21 October 2022 | Becoming a substantial holder                             |
| 21 October 2022 | Sustainability Report 2022                                |
| 21 October 2022 | Appendix 4G and Corporate Governance Statement            |

# Westgold Resources Limited

ACN 009260306

## Return your Form:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne Victoria 3001  
Australia

## For all enquiries:



### Phone:

(within Australia) 1300 918 437  
(outside Australia) +61 3 9415 4393

MGVTKO

MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

## Takeover Acceptance Form

ISSUER



### Your form must be received by the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by Westgold Resources Limited ACN 009 260 306 ("Westgold") to acquire all of your Shares in Musgrave Minerals Limited ("Musgrave") ACN 143 890 671 the terms of which are set out in the Bidder's Statement from Westgold dated 9 June 2023 as replaced or supplemented (the "Bidders Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

### Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Musgrave register, as provided to Westgold. The current address recorded by Westgold is printed above and overleaf. If you have recently bought or sold Shares your holding may differ from that shown. If you have already sold all your Shares in Musgrave, do not complete or return this form.

### Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Shares.

### Step 3: Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders must sign.

**Power of Attorney:** Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

**Companies:** Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

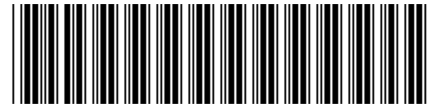
- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and a Company Secretary.

**Overseas Companies:** Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

**Deceased Estate:** All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

**Turn over to complete the form** ➔



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# Takeover Acceptance Form

STEP 1

## Registration Name & Offer Details

 For your security keep your SRN/  
HIN confidential.

**Registration Name:** MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

**Offer Details:** Securityholding as at Register Date:

2000

Consideration to be issued to you on the basis of 1 Westgold Share for every 5.37 Musgrave Shares accepted.

By accepting the Offer for ALL of your Shares, you are accepting the Offer for ALL the Musgrave Shares as recorded by Westgold as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2

## Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Shares in Musgrave. The consideration applicable is set out in the terms of Westgold's Offer.

STEP 3

## Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by Westgold for Shares in Musgrave and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our Shares as per the above instruction.

**Individual or Securityholder 1**

Sole Director and Sole Company Secretary/  
Sole Director (cross out titles as applicable)

**Securityholder 2**

Director

**Securityholder 3**

Director/Company Secretary  
(cross out titles as applicable)

Contact  
Name

Contact  
Daytime  
Telephone

Date / /

## Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by Westgold Resources Limited ACN 009 260 306. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or by emailing [privacy@computershare.com.au](mailto:privacy@computershare.com.au). We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to Westgold Resources Limited ACN 009 260 306 or to third parties upon direction by Westgold Resources Limited ACN 009 260 306 where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at [privacy@computershare.com.au](mailto:privacy@computershare.com.au) or see our Privacy Policy at <http://www.computershare.com/au>.

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Computershare

# Westgold Resources Limited

ACN 009260306

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MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

## Return your Form:



### To Your Controlling Participant:

Return this form directly to your stockbroker



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne Victoria 3001  
Australia

## For all enquiries:

### Phone:



(within Australia) 1300 918 437  
(outside Australia) +61 3 9415 4393

## Takeover Acceptance Form

CHESS



**Your form must be received with sufficient time to allow processing prior to the end of the Offer Period.**

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by Westgold Resources Limited ACN 009 260 306 ("Westgold") to acquire all of your Shares in Musgrave Minerals Limited ("Musgrave") ACN 143 890 671 the terms of which are set out in the Bidder's Statement from Westgold dated 9 June 2023 as replaced or supplemented (the "Bidders Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

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### Step 1: Registration Name & Offer Details

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### Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Shares.

As your Musgrave Shares are in a CHESS holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept the Offer. If you do this, your Controlling Participant will provide you with details as to what they require in order to accept the Offer on your behalf. If you want Westgold to contact your Controlling Participant on your behalf, sign and return this form to the address above so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise Westgold and Computershare Investor Services Pty Limited ("CIS") to request your Controlling Participant to initiate acceptance of the Offer on your behalf.

By signing this form, you warrant to Westgold (and authorise Westgold to warrant on your behalf) that you have full legal and beneficial ownership of the Shares to which this form relates and that Westgold will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights. You should allow sufficient time for your Controlling Participant or Westgold to initiate the acceptance of Westgold's Offer on your behalf. Neither Westgold or CIS will be responsible for any delays incurred by the process of requesting your Controlling Participant to accept the Offer.

### Step 3: Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders must sign.

**Power of Attorney:** Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

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- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
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Entering contact details is not compulsory, but will assist us if we need to contact you.

**Turn over to complete the form** →



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# Takeover Acceptance Form

STEP 1

## Registration Name & Offer Details

 For your security keep your SRN/  
HIN confidential.

**Registration Name:** MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

Controlling Participant Identifier:

**Offer Details:** Securityholding as at Register Date:

2000

Consideration to be issued to you on the basis of 1 Westgold Share for every 5.37 Musgrave Shares accepted.

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STEP 2

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STEP 3

## Signature of Securityholder(s) *This section must be completed.*

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Sole Director and Sole Company Secretary/  
Sole Director (cross out titles as applicable)

Securityholder 2

Director

Securityholder 3

Director/Company Secretary  
(cross out titles as applicable)

Contact  
Name

Contact  
Daytime  
Telephone

Date / /

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