



**Musgrave Minerals Limited  
ABN 12 143 890 671**

## **Notice of Annual General Meeting**

**The Annual General Meeting of the Company will be held as follows:**

**Time and date: 12.00pm (WST) on Tuesday, 8, November 2022**

**In-person: The Kings Park Room, Level 1, Quest West Perth,  
54 Kings Park Road, West Perth, Western Australia, 6005**

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their suitably qualified advisor prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the Company by telephone on +61 8 9324 1061.**

**Shareholders are urged to vote by lodging the Proxy Form provided with the Notice.**

**Musgrave Minerals Limited**  
**ABN 12 143 890 671**  
**(Company)**

## **Notice of Annual General Meeting**

Notice is hereby given that the annual general meeting of Shareholders of Musgrave Minerals Limited (ABN 12 143 890 671) will be held at The Kings Park Room Level 1, Quest West Perth 54 Kings Park Road, West Perth, Western Australia, 6005 on Tuesday, 8 November 2022 at 12.00pm (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Sunday, 6 November 2022 at 12.00pm (WST).

Shareholders are urged to vote by attending the Meeting in person or by returning a completed Proxy Form. Instructions on how to complete a Proxy Form are set out in the Explanatory Memorandum.

Proxy forms must be received by no later than 12.00pm (WST) on 6 November 2022.

Terms and abbreviations used in the Notice are defined in Schedule 1.

## **Agenda**

### **1 Annual Report**

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2022, which includes the Financial Report, the Directors' Report and the Auditor's Report.

**Note:** there is no requirement for Shareholders to approve the Annual Report.

### **2 Resolutions**

#### **Resolution 1 – Remuneration Report**

To consider and, if thought fit, to pass with or without amendment, as a **non-binding** ordinary resolution the following:

*'That, the Remuneration Report be adopted by Shareholders, on the terms and conditions in the Explanatory Memorandum.'*

**Note:** a vote on this Resolution is advisory only and does not bind the Directors or the Company.

#### **Resolution 2 – Re-election of Director – Mr Graham Ascough**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*'That, Mr Graham Ascough, who retires in accordance with rule 6.1 of the Constitution, Listing Rule 14.4 and for all other purposes, retires and, being eligible and offering himself for re-election, is re-elected as a Director, on the terms and conditions in the Explanatory Memorandum.'*

### **Resolution 3 – Approval of 10% Placement Facility**

To consider and, if thought fit, to pass with or without amendment, as a **special** resolution the following:

*'That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.'*

### **Resolution 4 – Approval of Employee Securities Incentive Plan**

To consider and, if thought fit, to pass without or without amendment, as an ordinary resolution the following:

*'That, for the purposes of Exception 13(b) of Listing Rule 7.2 and for all other purposes, Shareholders approve the employee incentive scheme of the Company known as the "Musgrave Minerals Limited Employee Securities Incentive Plan" and the issue of Securities under that plan, on the terms and conditions in the Explanatory Memorandum.'*

### **Resolution 5 – Approval of potential termination benefits under the Plan**

To consider and, if thought fit, to pass without or without amendment, as an ordinary resolution the following:

*'That, conditional on Resolution 4 being approved, for a period commencing from the date this Resolution is passed and ending upon the expiry of all Securities issued or to be issued under the "Musgrave Minerals Limited Employee Securities Incentive Plan", approval be given for all purposes including Part 2D.2 of the Corporations Act for the giving of benefits to any current or future person holding a managerial or executive office of the Company or a related body corporate in connection with that person ceasing to hold such office, on the terms and conditions in the Explanatory Memorandum.'*

### **Resolution 6 – Approval of issue of Options to Director- Mr Graham Ascough**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*'That, pursuant to and in accordance with Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of 1,000,000 Options to Mr Graham Ascough (or his nominee), on the terms and conditions in the Explanatory Memorandum.'*

### **Resolution 7 – Approval of issue of Options to Director- Mr Rob Waugh**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*'That, pursuant to and in accordance with Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of 2,000,000 Options to Mr Rob Waugh (or his nominee), on the terms and conditions in the Explanatory Memorandum.'*

### **Resolution 8 – Approval of issue of Options to Director- Ms Kelly Ross**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*'That, pursuant to and in accordance with Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of 750,000 Options to Ms Kelly Ross (or her nominee), on the terms and conditions in the Explanatory Memorandum.'*

### **Resolution 9 – Approval of issue of Options to Director- Mr John Percival**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*'That, pursuant to and in accordance with Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of 750,000 Options to Mr John Percival (or his nominee), on the terms and conditions in the Explanatory Memorandum.'*

### **Resolution 10 – Approval of issue of Options to Director- Mr Brett Lambert**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*'That, pursuant to and in accordance with Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of 750,000 Options to Mr Brett Lambert (or his nominee), on the terms and conditions in the Explanatory Memorandum.'*

## Voting exclusions

**Resolution 3:** Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution, if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under Listing Rule 7.1A.2, by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

The above voting exclusion does not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Resolution 4:** Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is eligible to participate in the employee incentive scheme, or any of their respective associates.

The above voting exclusion does not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Resolution 6, Resolution 7, Resolution 8, Resolution 9 and Resolution 10:** Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution by or on behalf of each of Mr Robert Waugh, Mr Graham Ascough, Ms Kelly Ross, Mr John Percival and Mr Brett Lambert (or their respective nominees), and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

The above voting exclusion does not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## Voting prohibitions

**Resolution 1:** In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

**Resolution 5:** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (a) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Further, in accordance with section 200E(2A) of the Corporations Act, a vote on this Resolution must not be cast by any participants or potential participants in the Plan and their associates, otherwise the benefit of this Resolution will be lost by such a person in relation to that person's future retirement.

However, a vote may be cast by such a person if:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of the person or an associate of the person.

**Resolution 6, Resolution 7, Resolution 8, Resolution 9 and Resolution 10:** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (c) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (d) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Further, in accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

However, the above prohibition does not apply if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

## Other Business

To transact any other business which may be properly brought before the meeting in accordance with the Company's Constitution and the Corporations Act.

**BY ORDER OF THE BOARD**

A handwritten signature in black ink, appearing to read 'PF' or similar initials, enclosed within a circular scribble.

**Patricia Farr**  
**Company Secretary**  
**Musgrave Minerals Limited**  
Dated: 21 September 2022



**Musgrave Minerals Limited**  
**ABN 12 143 890 671**  
**(Company)**

## **Explanatory Memorandum**

### **1. Introduction**

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at The Kings Park Room Level 1, Quest West Perth 54 Kings Park Road, West Perth, Western Australia, 6005 on Tuesday, 8 November 2022, at 12.00pm (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolution will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolution:

Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Re-election of Director – Mr Graham Ascough
Section 6	Resolution 3 – Approval of 10% Placement Facility
Section 7	Resolution 4 – Approval of Employee Securities Incentive Plan
Section 8	Resolution 5 – Approval of potential termination benefits under the New Plan
Section 9	Resolutions 6 to 10 (inclusive) – Approval of issue of Options to Directors
Schedule 1	Definitions
Schedule 2	Summary of employee securities incentive plan
Schedule 3	Terms and conditions of Options
Schedule 4	Valuation of Options

### **2. Action to be taken by Shareholders**

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolution.

## 2.1 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

## 2.2 Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (c) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (b) the appointed proxy is not the chair of the meeting;
- (c) at the meeting, a poll is duly demanded, or is otherwise required under section 250JA on the resolution; and
- (d) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

### 2.3 Chair's voting intentions

If the Chair is your proxy, either by appointment or by default, and you have not indicated your voting intention, you expressly authorise the Chair to exercise the proxy in respect of Resolution 1, Resolution 5, Resolution 6, Resolution 7, Resolution 8, Resolution 9 and Resolution 10 even though these Resolutions are connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

Subject to the following paragraph, the Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

If the Chair is a person referred to in the voting prohibition statement applicable to a Resolution under section 224 of the Corporations Act, the Chair will only be able to cast a vote as proxy for you on the relevant Resolution if you are entitled to vote and have specified your voting intention in the Proxy Form. Shareholders are therefore encouraged to specify their voting intention for every Resolution in the Proxy Form.

### 2.4 Submitting questions

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at [info@musgraveminerals.com.au](mailto:info@musgraveminerals.com.au) by Sunday, 6 November 2022 at 12.00pm (WST). Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

## 3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2022.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at <https://musgraveminerals.com.au/> ;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;

- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

The Company will not provide a hard copy of the Company's Annual Report to Shareholders unless specifically requested to do so.

## 4. **Resolution 1 – Remuneration Report**

### 4.1 **General**

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report for the year ended 30 June 2022 in the 2022 Annual Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2021 annual general meeting held on 18 November 2021. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2022 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

### 4.2 **Additional information**

Resolution 1 is an ordinary resolution.

Given the personal interests of all Directors in the outcome of this Resolution, the Board declines to make a recommendation to Shareholders regarding this Resolution.

## 5. **Resolution 2 – Re-election of Director – Mr Graham Ascough**

## 5.1 **General**

Listing Rule 14.4 and Rule 6.1 of the Constitution provide that a Director (excluding the Managing Director) must not hold office without re-election past the third annual general meeting following that Director's appointment or three years, whichever is longer.

Mr Graham Ascough, a Non-Executive Director, was last elected at the annual general meeting held on 21 November 2019. Accordingly, Mr Graham Ascough retires at this Meeting and, being eligible, seeks re-election pursuant to this Resolution 2.

## 5.2 **Mr Graham Ascough**

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

Mr Ascough is a geophysicist by training and was the Managing Director of ASX listed Mithril Resources Ltd from October 2006 until June 2012.

Prior to joining Mithril in 2006, Mr Ascough was the Australian Manager of Nickel and PGM Exploration at the major Canadian resources house, Falconbridge Ltd (acquired by Xstrata Plc in 2006). Mr Ascough is also Non-executive Chairman of PNX Metals Ltd, Sunstone Minerals Ltd and Black Canyon Ltd.

Mr Ascough is a Member of the Australasian Institute of Mining and Metallurgy and is a Professional Geoscientist of Ontario, Canada.

The Company confirms that it has undertaken appropriate checks into Mr Ascough's background and experience and that these checks did not identify any information of concern.

If elected, Mr Ascough is considered by the Board (with Mr Ascough abstaining) to be an independent Director. Mr Ascough is not considered by the Board to hold any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

Mr Ascough has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

## 5.3 **Board recommendation**

The Board (other than Mr Ascough who has a personal interest in the outcome of this Resolution) supports the election of Mr Ascough who brings to Musgrave considerable leadership skills and experience in the resources industry which are important additions to the Board's existing skills and will be invaluable to the Board during the next stage of the Company's development.

The Board recommends Shareholders vote in favour of Resolution 2.

## 5.4 **Additional information**

Resolution 2 is an ordinary resolution.

## 6. Resolution 3 – Approval of 10% Placement Facility

### 6.1 General

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 3 seeks Shareholder approval to provide the Company with the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 6.2(f) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

If Resolution 3 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval in Listing Rule 7.1.

### 6.2 Listing Rule 7.1A

#### (a) Is the Company an eligible entity?

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$134 million based on the closing price of Shares \$0.25 on 8 September 2022.

#### (b) What Equity Securities can be issued?

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the eligible entity.

As at the date of the Notice, the Company has on issue one quoted class of Equity Securities, being Shares.

#### (c) What Equity Securities can be issued?

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

**A** = is the number of Shares on issue at the commencement of the Relevant Period:

- (A) plus the number of fully paid Shares issued in the Relevant Period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- (B) plus the number of fully paid Shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
  - (1) the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
  - (2) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (C) plus the number of fully paid Shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
  - (1) the agreement was entered into before the commencement of the Relevant Period; or
  - (2) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (D) plus the number of partly paid Shares that became fully paid Shares in the Relevant Period;
- (E) plus the number of fully paid Shares issued in the Relevant Period with approval under Listing Rules 7.1 and 7.4; and
- (F) less the number of fully paid Shares cancelled in the Relevant Period.

Note that 'A' has the same meaning in Listing Rule 7.1 when calculating the Company's 15% annual placement capacity, and 'Relevant Period' has the relevant meaning given in Listing Rule 7.1 and 7.1A.2, namely, the 12 month-period immediately preceding the date of the issue or agreement.

**D =** is 10%.

**E =** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

(d) **What is the interaction with Listing Rule 7.1?**

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

(e) **At what price can the Equity Securities be issued?**

Any Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per Equity Security which is not less than 75% of the VWAP of Equity

Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph 6.2(e)(i) above, the date on which the Equity Securities are issued, **(Minimum Issue Price)**.

(f) **When can Equity Securities be issued?**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of the Meeting and will expire on the earlier of:

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

**(10% Placement Period)**.

(g) **What is the effect of Resolution 3?**

The effect of Resolution 3 will be to allow the Company to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

### 6.3 **Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

(a) **Final date for issue**

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 6.2(f) above).

(b) **Minimum issue price**

Where the Company issues Equity Securities under the 10% Placement Facility, it will only do so for cash consideration and the issue price will be not less than the Minimum Issue Price (refer to Section 6.2(e) above).

(c) **Purposes of issues under the 10% Placement Facility**

The Company may seek to issue Equity Securities under the 10% Placement Facility for the purposes of raising funds for continued investment in the Company's current assets, the acquisition of new assets or investments (including expenses associated with such an acquisition), and/or for general working capital.



(d) **Risk of economic and voting dilution**

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

If this Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company may be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The table below shows the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for Variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 6.2(c) above) as at the date of this Notice (**Variable A**), with:

- (i) two examples where Variable A has increased, by 50% and 100%; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Shares (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.1250 50% decrease in Current Market Price	\$0.25 Current Market Price	\$0.50 100% increase in Current Market Price
537,172,949 Shares Variable A	10% Voting Dilution	53,717,294 Shares	53,717,294 Shares	53,717,294 Shares
	Funds raised	\$6,714,661	\$13,429,323	\$26,858,647
805,759,423 Shares 50% increase in Variable A	10% Voting Dilution	80,575,942 Shares	80,575,942 Shares	80,575,942 Shares
	Funds raised	\$10,071,992	\$20,143,985	\$40,287,971
1,074,345,898 Shares 100% increase in Variable A	10% Voting Dilution	107,434,589 Shares	107,434,589 Shares	107,434,589 Shares
	Funds raised	\$13,429,323	\$26,858,647	\$53,717,294

**Notes:**

1. The table has been prepared on the following assumptions:
  - (a) The issue price is the current market price \$0.25, being the closing price of the Shares on ASX on 8 September 2022, being the latest practicable date before this Notice was signed.
  - (b) Variable A comprises of 537,172,949 existing Shares on issue as at the date of this Meeting, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4.
  - (c) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  - (d) No convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities.
  - (e) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
2. The number of Shares on issue (i.e. Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.

The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

**(e) Allocation policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing Shareholders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new investors who are not related parties of or associates of a related party of the Company.

(f) **Issues in the past 12 months**

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 18 November 2021.

In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has not issued or agreed to issue Equity Securities under Listing Rule 7.1A.

At the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A and has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in any such issue.

However, in the event that between the date of this Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A to one or more existing Shareholders, those Shareholders' votes will be excluded under the voting exclusion statement in the Notice.

6.4 **Additional information**

Resolution 3 is a **special** resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 3.

7. **Resolution 4 – Approval of Employee Securities Incentive Plan**

7.1 **General**

On 1 October 2022, amendments to the Corporations Act will commence, simplifying the process for incentivising participants under employee share schemes (**ESS**). Division 1A will be introduced into Part 7.12 of the Corporations Act, providing a new regime for the making of offers in connection with an ESS (**New Regime**). This regime will replace the current relief afforded by ASIC Class Order 14/1000 (**Class Order**), which has been in force since 30 October 2014.

To ensure that the Company's ESS complies with the New Regime, the Company will adopt, subject to Shareholder approval, a new ESS called the 'Musgrave Minerals Limited Employee Securities Incentive Plan' (the **New Plan**).

Resolution 4 seeks Shareholder approval of the New Plan in accordance with Listing Rule 7.2 exception 13(b).

Under the New Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may decide and on the terms set out in the rules of the New Plan. A summary of the key terms of the New Plan is provided in Schedule 2. In addition, a copy of the New Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. Shareholders are invited to contact the Company if they have any queries.

## 7.2 Key changes between the Class Order and New Regime

The following table summarises the key changes that will be implemented by the New Regime for “Invitations” (within the meaning given in the New Plan) made on or after 1 October 2022. These changes are reflected in the New Plan.

	<b>Current position under the Class Order</b>	<b>Position from 1 October 2022</b>
Disclosure obligations	<p>The Class Order mandates certain information that must be provided to ESS participants.</p> <p>There is no difference between the disclosure requirements where ESS interests are offered for monetary consideration or for no monetary consideration.</p>	<p><b>If the offer of ESS interests is for no monetary consideration:</b> There are no prescribed disclosure obligations, other than a statement that the offer is made under Division 1A.</p> <p><b>If the offer of ESS interests is for monetary consideration:</b></p> <ul style="list-style-type: none"> <li>• Certain prescribed disclosure requirements apply. These disclosure requirements are similar (although different) to the current disclosure requirements under the Class Order.</li> <li>• The participant cannot acquire the ESS interests until 14 days after receiving the above disclosure. This mandates a waiting period ensuring a participant has time to consider their decision and seek legal financial advice.</li> <li>• Any associated trust, contribution plan and loan arrangement will need to comply with specified requirements.</li> </ul>
Eligible participants	<ul style="list-style-type: none"> <li>• Directors;</li> <li>• Full-time and part-time employees;</li> <li>• Casual employees and contractors, provided they work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with the entity.</li> </ul>	<ul style="list-style-type: none"> <li>• Directors;</li> <li>• Full-time and part-time employees;</li> <li>• Any service providers to the entity (with no minimum requirement of hours of service provided);</li> <li>• Certain ‘related persons’ to the above.</li> </ul>

	<b>Current position under the Class Order</b>	<b>Position from 1 October 2022</b>
5% limit	The maximum number of ESS interests that can be issued under the Class Order relief over a three-year period is 5% of the issued share capital.	<p><b>If the offer of ESS interests is for no monetary consideration:</b> There is no limit on the number of such ESS interests that may be issued.</p> <p><b>If the offer of ESS interests is for monetary consideration:</b> The number of ESS interests issued over a three-year period must not exceed 5% of the issued share capital. Entities may specify a different issue cap in their constitution.</p>
Quotation requirement	An entity's shares must have been quoted for three months before the Class Order relief is available.	Newly listed entities can offer ESS interests under the new regime without any minimum quotation period. This will make it much simpler for newly listed entities to offer ESS interests.
Suspension	For the Class Order relief to be available, the entity's shares must not have been suspended for more than 5 days over the previous 12 months.	The new regime permits an entity to offer ESS interests regardless of any suspension to the trading of its shares.
On-sale relief	Relief is provided from the on-sale provisions for securities issued under the Class Order.	There is no equivalent relief under the new provisions. This means cleansing notices must be issued in order to ensure shares may be on-sold within 12 months of issue.
ASIC involvement	A 'Notice of Reliance' must be submitted to ASIC to rely on the Class Order relief.	<p>There are no ASIC lodgement requirements.</p> <p>ASIC has the power to require the provision of documents necessary in order to form an opinion about whether the regime has been complied with.</p> <p>ASIC has also been given express enforcement powers including the ability to issue 'stop orders'.</p>

	<b>Current position under the Class Order</b>	<b>Position from 1 October 2022</b>
Criminal offences	N/A	New ESS related criminal offences have been introduced regarding certain misleading or deceptive statements or omissions.

### 7.3 **Listing Rules 7.1 and 7.2, exception 13(b)**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Listing Rule 7.2, exception 13(b), provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of three years from the date on which Shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

Listing Rule 7.2, exception 13(b), ceases to be available to the Company if there is a material change to the terms of the Plan from those set out in this Notice.

If Resolution 4 is passed, the Company will be able to issue Equity Securities under the New Plan pursuant to Listing Rule 7.2, exception 13(b), to eligible participants over a period of three years up to a nominated maximum amount without using the Company's 15% annual placement capacity under Listing Rule 7.1.

However, any future issues of Equity Securities under the New Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

If Resolution 4 is not passed, any issue of Equity Securities pursuant to the New Plan must either be undertaken using the Company's 15% annual placement capacity under Listing Rule 7.1, or with prior Shareholder approval.

### 7.4 **Specific information required by Listing Rule 7.2, exception 13(b)**

Pursuant to and in accordance with Listing Rule 7.2, exception 13(b), the following information is provided in relation to the New Plan:

- (a) A summary of the material terms of the New Plan is in Schedule 2.
- (b) As at the date of this Notice, no Equity Securities have been issued under the New Plan.

The Company obtained Shareholder approval for its existing employee securities incentive plan under Listing Rule 7.2, exception 13(b) at its annual general meeting held on 19 November 2020. Since that date, the Company has issued the following Equity Securities under the existing plan:

- (i) 31/08/2021: 500,000 options exercisable at \$0.47 and expiring 27/08/2024
  - (ii) 23/09/2021: 1,340,000 options exercisable at \$0.45 and expiring 1/10/2024
  - (iii) 06/07/2022: 2,500,000 options exercisable at \$0.45 and expiring 19/06/2025
- (c) The maximum number of Equity Securities permitted to be issued under the New Plan pursuant to Listing Rule 7.2, exception 13(b), following approval of Resolution 4 is 53,717,294 (subject to adjustment in the event of a reorganisation of capital and further subject to applicable laws and the Listing Rules). This number comprises approximately 10% of the Company's Equity Securities currently on issue.
- (d) A voting exclusion statement is included in the Notice.

## 7.5 Additional information

Resolution 4 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 4.

## 8. Resolution 5 – Approval of potential termination benefits under the New Plan

### 8.1 General

The Corporations Act contains certain limitations concerning the payment of 'termination benefits' to persons who hold a 'managerial or executive office'. The Listing Rules also provides certain limitations on the payment of 'termination benefits' to officers of listed entities.

As is common with employee incentive schemes, the New Plan provides the Board with the discretion to, amongst other things, determine that some or all of the Equity Securities granted to a participant under the New Plan (**Plan Securities**) will not lapse in the event of that participant ceasing their engagement with the Company before such Plan Securities have vested. This 'accelerated vesting' of Plan Securities may constitute a 'termination benefit' prohibited under the Corporations Act, regardless of the value of such benefit, unless Shareholder approval is obtained.

If Resolution 5 is not passed, the Company will not be able to offer 'termination benefits' to persons who hold a 'managerial or executive office' pursuant to the terms of the New Plan.

### 8.2 Part 2D.2 of the Corporations Act

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a 'managerial or executive office' (as defined in the Corporations Act) if an exemption applies or if the benefit is approved by Shareholders in accordance with section 200E of the Corporations Act.

Subject to Shareholder approval of Resolution 4, Shareholder approval is sought for the purposes of Part 2D.2 of the Corporations Act to approve the giving of benefits under the New Plan to a person by the Company in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company (or subsidiary of the Company) on the terms and conditions in this Explanatory Memorandum.

As noted above, under the terms of the New Plan and subject to the Listing Rules, the Board

possesses the discretion to vary the terms or conditions of the Plan Securities. Notwithstanding the foregoing, without the consent of the participant in the New Plan, no amendment may be made to the terms of any granted Plan Security which reduces the rights of the participant in respect of that Plan Security, other than an amendment introduced primarily to comply with legislation, to correct any manifest error or mistake or to take into consideration possible adverse tax implications.

As a result of the above discretion, the Board has the power to determine that some or all of a participant's Plan Securities will not lapse in the event of the participant ceasing employment or office before the vesting of their Plan Securities.

The exercise of this discretion by the Board may constitute a 'benefit' for the purposes of section 200B of the Corporations Act. The Company is therefore seeking Shareholder approval for the exercise of the Board's discretion in respect of any current or future participant in the New Plan who holds:

- (a) a managerial or executive office in, or is an officer of, the Company (or subsidiary of the Company) at the time of their leaving or at any time in the three years prior to their leaving; and
- (b) Plan Securities at the time of their leaving.

### **8.3 Valuation of the termination benefits**

Provided Shareholder approval is given, the value of the termination benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation).

The value of the termination benefits that the Board may give under the New Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's Share price at the time of vesting and the number of Plan Securities that will vest or otherwise be affected. The following additional factors may also affect the benefit's value:

- (a) the participant's length of service and the status of the vesting conditions attaching to the relevant Plan Securities at the time the participant's employment or office ceases; and
- (b) the number of unvested Plan Securities that the participant holds at the time they cease employment or office.

In accordance with Listing Rule 10.19, the Company will ensure that no officer of the Company or any of its child entities will, or may be, entitled to, without first obtaining shareholder approval, termination benefits if the value of those benefits and the terminations benefits that are or may be payable to all officers together exceed 5% of the equity interests of the Company as set out in the latest accounts given to ASX under the Listing Rules.



#### 8.4 Additional information

Resolution 5 is conditional on the passing of Resolution 4.

If Resolution 4 is not approved at the Meeting, Resolution 5 will not be put to the Meeting. Resolution 5 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 5 due to their potential personal interests in the outcome of the Resolution.

### 9. Resolutions 6 to 10 (inclusive) – Approval of issue of Options to Directors

#### 9.1 General

The Company is proposing, subject to obtaining Shareholder approval, to issue up to a total of 5,250,000 Options (the **Options**) in various proportions to each of Mr Robert Waugh (Managing Director), Mr Graham Ascough (Non-Executive Chairman), Ms Kelly Ross, Mr John Percival and Mr Brett Lambert (each Non-Executive Directors) (or their respective nominees). The Options will be issued in the following proportions:

Director	Options <sup>(1)</sup>
Mr Graham Ascough	1,000,000
Mr Robert Waugh	2,000,000
Ms Kelly Ross	750,000
Mr John Percival	750,000
Mr Brett Lambert	750,000

- Exercise price of the Options will be based on a price that is 50% greater than 5 day VWAP of the shares on the ASX 5 days prior to the day that Shareholder approval is obtained. The Options will vest after 12 months and have an expiry of 3 years (less two days) from date of issue. The terms and conditions of the Options are in Schedule 3.*

The Company is at an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue of the Options seeks to align the efforts of each Director in seeking to achieve growth of the Share price and in the creation of Shareholder value. The Board believes that the issue of these Options will align the interests of each Director with those of the Company and its Shareholders as they will be exercisable at a material premium to the current Share price. In addition, the Board also believes that incentivising with Options is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Options to continue to attract and maintain highly experienced and qualified Board members in a competitive

market.

Resolution 6, Resolution 7, Resolution 8, Resolution 9 and Resolution 10 each seek Shareholder approval pursuant to Listing Rule 10.11 and sections 195(4) and 208 of the Corporations Act for the issue of the Options to each of Mr Robert Waugh, Mr Graham Ascough, Ms Kelly Ross, Mr John Percival and Mr Brett Lambert (or their respective nominees).

## 9.2 **Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to any of the following persons without the approval of its Shareholders:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (30%+) in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (10%+) in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relation with the company or a person referred to in Listing Rule 10.11.1 or 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5).

Each of Mr Robert Waugh, Mr Graham Ascough, Ms Kelly Ross, Mr John Percival and Mr Brett Lambert is a related party of the Company by virtue of being a Director. Shareholder approval pursuant to Listing Rule 10.11 is therefore required unless an exception applies. It is the view of the Board that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Options to each of Mr Robert Waugh, Mr Graham Ascough, Ms Kelly Ross, Mr John Percival and Mr Brett Lambert (or their respective nominees) will not be included in the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

The effect of Shareholders passing Resolution 6, Resolution 7, Resolution 8, Resolution 9 and Resolution 10 will be to allow the Company to issue the Options to each of Mr Robert Waugh, Mr Graham Ascough, Ms Kelly Ross, Mr John Percival and Mr Brett Lambert (or their respective nominees) as part of their remuneration package.

If any of Resolution 6, Resolution 7, Resolution 8, Resolution 9 and Resolution 10 are not passed, the Company will not be able to proceed with the issue of up to 5,250,000 Options in various proportions to each of Mr Robert Waugh, Mr Graham Ascough, Ms Kelly Ross, Mr John Percival and Mr Brett Lambert (or their respective nominees), and the Company will have to consider alternative commercial means to incentivise each Director and proposed recipient of the Options.

### 9.3 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Options:

- (a) The Options will be issued to each of Mr Robert Waugh, Mr Graham Ascough, Ms Kelly Ross, Mr John Percival and Mr Brett Lambert (or their respective nominees).
- (b) Each of Mr Robert Waugh, Mr Graham Ascough, Ms Kelly Ross, Mr John Percival and Mr Brett Lambert falls into the category stipulated by Listing Rule 10.11.1 by virtue of being a Director of the Company.
- (c) A maximum of 5,250,000 Options will be issued to each of Mr Robert Waugh, Mr Graham Ascough, Ms Kelly Ross, Mr John Percival and Mr Brett Lambert (or their nominees) in the proportions set out in Section 9.1 above.
- (d) The exercise price of the Options will be based on a price that is 50% greater than 5 day VWAP of the shares on the ASX 5 days prior to the day that Shareholder approval is obtained. Each Option will expire on 5 November 2025, being the date 3 years from date of issue (less 2 days). The Options are otherwise subject to the terms and conditions in Schedule 3.
- (e) The Options will vest and become exercisable 12 months after Shareholder approval is obtained.
- (f) The Options will be issued no later than one month after the date of the Meeting.
- (g) The Options will have an issue price of nil, as they are being issued as part of the relevant Directors' remuneration package.
- (h) No proceeds will be raised by the issue of the Options.
- (i) The current total remuneration package of the relevant Directors is as follows:

<b>Director</b>	<b>Salary and fees (inclusive of superannuation)</b>
Mr Graham Ascough	\$75,643
Mr Robert Waugh	\$335,740
Ms Kelly Ross	\$57,343
Mr John Percival	\$57,343
Mr Brett Lambert	\$57,343

- (j) There are no other material terms to the proposed issue of the Options.

- (k) A voting exclusion statement is included in the Notice.

#### 9.4 **Chapter 2E of the Corporations Act**

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The proposed issue of the Options constitutes giving a financial benefit to related parties of the Company.

Given the personal interests of all the Directors in the outcome of this Resolution, the Board is seeking Shareholder approval pursuant to Chapter 2E of the Corporations Act in respect of the issue of the Options. Notwithstanding that the issue of the Options is considered by the Board as reasonable remuneration and therefore falls within the exception stipulated by section 211 of the Corporations Act, the Board considers that there may be potential conflicts of interest should Shareholder approval not be sought.

#### 9.5 **Information required under Chapter 2E of the Corporations Act**

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of the Options:

- (a) **Identity of the related parties to whom Resolution 6, Resolution 7, Resolution 8, Resolution 9 and Resolution 10 permit financial benefits to be given**

Refer to Section 9.3(a) above.

- (b) **Nature of the financial benefit**

Resolution 6, Resolution 7, Resolution 8, Resolution 9 and Resolution 10 seek Shareholder approval to allow the Company to issue the Options in the amounts specified in Section 9.1 to each of Mr Robert Waugh, Mr Graham Ascough, Ms Kelly Ross, Mr John Percival and Mr Brett Lambert (or their nominees).

The Options are to be issued on the terms and conditions in Schedule 3.

The Shares to be issued upon conversion of the Options will be fully paid ordinary Shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

- (c) **Board recommendations**

Given the personal interests of all the Directors in the outcome of this Resolution, the Board declines to make a recommendation to Shareholders in relation to this Resolution.

- (d) **Valuation of financial benefit**

The Company's valuation of the Options is in Schedule 4, with a summary below:

Director	Options	Valuation
Mr Graham Ascough	1,000,000	\$105,000
Mr Robert Waugh	2,000,000	\$210,000
Ms Kelly Ross	750,000	\$78,750
Mr John Percival	750,000	\$78,750
Mr Brett Lambert	750,000	\$78,750

(e) **Remuneration of each of Mr Robert Waugh, Mr Graham Ascough, Ms Kelly Ross, Mr John Percival and Mr Brett Lambert**

Refer to Section 9.3(i) above.

(f) **Existing relevant interest of each of Mr Robert Waugh, Mr Graham Ascough, Ms Kelly Ross, Mr John Percival and Mr Brett Lambert**

At the date of this Notice, for each of Mr Robert Waugh, Mr Graham Ascough, Ms Kelly Ross, Mr John Percival and Mr Brett Lambert holds the following relevant interests in Equity Securities of the Company:

Director	Shares	Options
Mr Graham Ascough	3,341,172	1,500,000 exercisable at \$0.932 expiring 20/08/2023.  750,000 exercisable at \$0.59 expiring 18/11/24.
Mr Robert Waugh	5,300,000	3,000,000 exercisable at \$0.1045 expiring 26/11/2022.  1,500,000 exercisable at \$0.932 expiring 20/08/2023.  1,500,000 exercisable at \$0.59 expiring 18/11/24.

Director	Shares	Options
Ms Kelly Ross	1,581,492	1,000,000 exercisable at \$0.932 expiring 20/08/2023.  500,000 exercisable at \$0.59 and expiring 18/11/24.
Mr John Percival	1,000,000	800,000 exercisable at \$0.932 expiring 20/08/2023.  500,000 exercisable at \$0.59 and expiring 18/11/24.
Mr Brett Lambert	nil	1,000,000 exercisable at \$0.56 expiring 24/06/2024.  500,000 exercisable at \$0.59 and expiring 18/11/24.

Assuming that each of Resolution 6, Resolution 7, Resolution 8, Resolution 9 and Resolution 10 is approved by Shareholders, all of the Options are issued, vested and exercised into Shares, and no other Equity Securities are issued or exercised (including any existing Options held by any of Mr Robert Waugh, Mr Graham Ascough, Ms Kelly Ross, Mr John Percival and Mr Brett Lambert as at the date of this Notice), the respective interests of the Directors in the Company would be as follows (based on the Share capital as at the date of this Notice):

- (i) Mr Robert Waugh's interest would represent approximately 1.35% of the Company's issued Share capital;
- (ii) Mr Graham Ascough's interest would represent approximately 0.80% of the Company's issued Share capital;
- (iii) Ms Kelly Ross's interest would represent approximately 0.43% of the Company's issued Share capital;
- (iv) Mr John Percival's interest would represent approximately 0.30% of the Company's issued Share capital;
- (v) Mr Brett Lambert's interest would represent approximately 0.14% of the Company's issued Share capital;

(g) **Dilution**

The issue of the Options will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Options vest and are exercised. The potential dilution if all Options vest and are exercised into Shares is 0.97%. This figure assumes the current Share capital structure as at the date of this Notice and that no Shares are issued other than the Shares issued on exercise of the Options.

The exercise of all of the Options will result in a total dilution of all other Shareholders' holdings of 0.93% on a fully diluted basis (assuming that all other Options are exercised). The actual dilution will depend on the extent that additional Shares are issued by the Company.

(h) **Trading history**

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

**Highest:** \$0.41 per Share on 1 November 2021

**Lowest:** \$0.235 per Share on 7, 12, 14 and 18 July 2022

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.25 per Share on 8 September 2022.

(i) **Corporate governance**

Robert Waugh is the Managing Director of the Company and therefore the Board (other than Robert Waugh) believe that the grant of the Options to Robert Waugh is in line with Recommendation 8.2 of the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**). Although no specific performance-based conditions apply to the Options (other than service-based milestones), the Options are proposed to be subject to an exercise price at a material premium to the current Share price.

The Board considers that the grant of the Options to the Non-Executive Directors is in line with Recommendation 8.2 of the Recommendations as the grant will not affect the independence of the Non-Executive Directors as there are no performance-based milestones (other than service-based milestones) attaching to the Options.

(j) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Options (including fringe benefits tax).

(k) **Other information**

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass each of Resolution 6, Resolution 7, Resolution 8, Resolution 9 and Resolution 10.

9.6 **Additional information**

Resolution 6, Resolution 7, Resolution 8, Resolution 9 and Resolution 10 are all ordinary resolutions.

Given the personal interests of all the Directors in the outcome of this Resolution, the Board declines to make a recommendation to Shareholders in relation to Resolution 6, Resolution 7, Resolution 8, Resolution 9 and Resolution 10.

## Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

<b>\$ or A\$</b>	means Australian Dollars.
<b>10% Placement Facility</b>	has the meaning in Section 6.1.
<b>10% Placement Period</b>	has the meaning in Section 6.2(f).
<b>Annual Report</b>	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2022.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
<b>Auditor's Report</b>	means the auditor's report contained in the Annual Report.
<b>Board</b>	means the board of Directors.
<b>Chair</b>	means the person appointed to chair the Meeting of the Company convened by the Notice.
<b>Company</b>	means Musgrave Minerals Limited (ABN 12 143 890 671).
<b>Constitution</b>	means the constitution of the Company, as amended.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth), as amended.
<b>Director</b>	means a director of the Company.
<b>Directors' Report</b>	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
<b>Equity Security</b>	has the same meaning as in the Listing Rules.
<b>Explanatory Memorandum</b>	means the explanatory memorandum which forms part of the Notice.
<b>Financial Report</b>	means the financial report contained in the Annual Report.
<b>Key Management Personnel</b>	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
<b>Listing Rules</b>	means the listing rules of ASX.



<b>Meeting</b>	has the meaning given in the introductory paragraph of the Notice.
<b>Minimum Issue Price</b>	has the meaning in Section 6.2(e).
<b>New Plan</b>	means the proposed new Employee Securities Incentive Plan of the Company, the subject of – Approval of Employee Securities Incentive Plan.
<b>Notice</b>	means this notice of annual general meeting.
<b>Option</b>	means a right, subject to certain terms and conditions, to acquire a Share.
<b>Plan Limit</b>	has the meaning in Section 7.1.
<b>Plan Securities</b>	has the meaning in Section 8.1.
<b>Proxy Form</b>	means the proxy form attached to the Notice.
<b>Recommendations</b>	means the 4 <sup>th</sup> Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.
<b>Remuneration Report</b>	means the remuneration report contained in the Annual Report.
<b>Resolution</b>	means a resolution referred to in the Notice.
<b>Schedule</b>	means a schedule to the Notice.
<b>Section</b>	means a section of the Explanatory Memorandum.
<b>Securities</b>	means any Equity Securities of the Company.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means the holder of a Share.
<b>Strike</b>	has the meaning in Section 4.1.
<b>Variable A</b>	has the meaning in Section 6.3(d).
<b>VWAP</b>	means volume weighted average price as defined in the Listing Rules.
<b>WST or AWST</b>	means Western Standard Time.

## Schedule 2 Summary of employee securities incentive plan

The following is a summary of the material terms and conditions of the New Plan:

1. **(Eligible Participant):** A person is eligible to participate in the New Plan (**Eligible Participant**) if they have been determined by the Board to be eligible to participate in the New Plan from time to time and are an “ESS participant” (as that term is defined in Division 1A) in relation to the Company or an associated entity of the Company.

This relevantly includes, amongst others:

- (a) an employee or director of the Company or an individual who provides services to the Company;
- (b) an employee or director of an associated entity of the Company or an individual who provides services to such an associated entity;
- (c) a prospective person to whom paragraphs (a) or (b) apply;
- (d) a person prescribed by the relevant regulations for such purposes; or
- (e) certain related persons on behalf of the participants described in paragraphs (a) to (d) (inclusive).

2. **(Maximum allocation):**

- (a) The Company must not make an offer of Securities under the New Plan in respect of which monetary consideration is payable (either upfront, or on exercise of convertible securities) where:
  - (i) the total number of Plan Shares (as defined in paragraph 13 below) that may be issued or acquired upon exercise of the convertible securities offered; plus
  - (ii) the total number of Plan Shares issued or that may be issued as a result of offers made under the New Plan at any time during the previous 3 year period,

would exceed 5% of the total number of Shares on issue at the date of the offer or such other limit as may be specified by the relevant regulations or the Company's Constitution from time to time.

3. **(Purpose):** The purpose of the New Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to Shareholder value creation; and
- (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

4. **(Plan administration):** The New Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the New Plan rules in its sole and absolute discretion, subject to compliance with applicable laws and the Listing Rules. The Board may delegate its powers and discretion.

5. **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the New Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. An

invitation issued under the New Plan will comply with the disclosure obligations pursuant to Division 1A.

On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

A waiting period of at least 14 days will apply to acquisitions of Securities for monetary consideration as required by the provisions of Division 1A.

6. **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the successful applicant (**Participant**) the relevant number of Securities, subject to the terms and conditions set out in the invitation, the New Plan rules and any ancillary documentation required.

7. **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the New Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

8. **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

9. **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

At the time of exercise of the Convertible Securities, and subject to Board approval, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

**Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the New Plan rules, or such earlier date as set out in the New Plan rules.

10. **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the New Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
11. **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the New Plan rules: any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

12. **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
13. **(Rights attaching to Plan Shares):** All Shares issued under the New Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the New Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
14. **(Disposal restrictions on Securities):** If the invitation provides that any Plan Shares or Convertible Securities are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.
15. **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

16. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
17. **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the New Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the New Plan and determine that any amendments to the New Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the New Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

18. **(Plan duration):** The New Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the New Plan for a fixed period or indefinitely, and may end any suspension. If the New Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

## Schedule 3 Terms and conditions of Options

The terms and conditions of the Options are as follows:

1. **(Entitlement):** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
2. **(Expiry Date):** Each Option will expire at 5:00pm (AWST) on 5 November 2025, being the date falling 3 years less 2 days after their issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
3. **(Vesting Period):** The Options will vest and become exercisable 12 months from the date of issue.
4. **(Exercise Period):** The Options are exercisable at any time on or prior to the Expiry Date.
5. **(Exercise Price):** Subject to paragraph 19, the amount payable upon exercise of each Option will be equal to the VWAP of Shares over the 5 Trading Days ending on the day before the date of the Meeting (**Exercise Price**).
6. **(Notice of Exercise):** The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and, if applicable, payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.  
  
Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and, if applicable, the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
7. **(Quotation of the Options):** The Company will not apply for quotation of the Options on any securities exchange.
8. **(Transferability):** The Options are not transferable.
9. **(Timing of issue of Shares on exercise):** Within 5 Business Days after the Exercise Date, the Company will, subject to paragraphs 10 and 14:
  - (a) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which, if applicable, cleared funds have been received by the Company;
  - (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act.
10. **(Restrictions on transfer of Shares):** If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
11. **(Timing of application for quotation)** If admitted to the official list of ASX at the time, the Company must apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options within 10 Business Days of the end of the quarter in which the exercise occurred, or within such other time period required by the Listing Rules.
12. **(Shares issued on exercise):** Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

13. **(Cashless exercise of Options):** The holder of Options may elect not to be required to provide payment of the Exercise Price for the number of Options specified in a Notice of Exercise but that on exercise of those Options the Company will transfer or allot to the holder that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share).

**Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the five (5) trading days immediately preceding that given date.

14. **(Takeovers prohibition):**
- (a) the issue of Shares on exercise of the Options is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
  - (b) the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Options.
15. **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
16. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
17. **(Entitlement to dividends):** The Options do not confer any entitlement to a dividend, whether fixed or at the discretion of the directors, during the currency of the Options without exercising the Options.
18. **(Entitlement to capital return):** The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise, and similarly do not confer any right to participate in the surplus profit or assets of the Company upon a winding up, in each case, during the currency of the Options without exercising the Options.
19. **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the Option holder will be varied in accordance with the Listing Rules.
20. **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
  - (b) no change will be made to the Exercise Price.
21. **(Change in exercise price):** There will be no change to the exercise price of the Options or the number of Shares over which the Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company (other than a bonus issue).

22. **(Voting rights):** The Options do not confer any right to vote at meetings of members of the Company, except as required by law, during the currency of the Options without first exercising the Options.
23. **(Constitution):** Upon the issue of Shares on exercise of the Options, the holder agrees to be bound by the Company's constitution.



## Schedule 4 Valuation of Options

The Options to be issued to each of Mr Robert Waugh (Managing Director), Mr Graham Ascough (Non-Executive Chairman), Ms Kelly Ross, Mr John Percival and Mr Brett Lambert (each Non-Executive Directors) (or their respective nominees) have been valued according to a Black-Scholes valuation model on the following assumptions

<b>Assumptions:</b>	
<b>Valuation date</b>	8 September 2022
<b>Market price of Shares (closing price)</b>	\$0.25 being the closing price as at 8 September 2022
<b>Director Options</b>	
- <b>Number of Director Options</b>	5,250,000
- <b>Exercise price*</b>	\$0.38
- <b>Expiry date</b>	5 November 2025 (38 months)
<b>Risk free interest rate</b>	2.95 %
<b>Volatility</b>	78.8%
<b>Indicative value per Director Option</b>	<b>\$0.105</b>
<b>Total value of Director Options</b>	<b>\$552,907</b>
<b>Mr Graham Ascough</b>	
- Number of Director Options	1,000,000
- Value of Director Options	\$105,000
<b>Mr Robert Waugh</b>	
- Number of Director Options	2,000,000
- Value of Director Options	\$210,000
<b>Mrs Kelly Ross</b>	
- Number of Director Options	750,000
- Value of Director Options	\$78,750
<b>Mr John Percival</b>	
- Number of Director Options	750,000
- Value of Director Options	\$78,750
<b>Mr Brett Lambert</b>	
- Number of Director Options	750,000
- Value of Director Options	\$78,750

\* The actual exercise price of the Director Options will be based on the price that is 50% greater than 5 day VWAP of the Shares on the ASX 5 days prior to the day that Shareholder approval is obtained.

**Note:** The valuation noted above is not necessarily the market price that the Director Options could be traded at and is not automatically the market price for taxation purposes.

# MUSGRAVE



ABN 12 143 890 671

MGV

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?



**Phone:**

1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **12:00pm (AWST) on Sunday, 6 November 2022.**

## Proxy Form

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

**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 should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### PARTICIPATING IN THE MEETING

#### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

### Lodge your Proxy Form:

**XX**

#### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

#### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

#### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Musgrave Minerals Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Musgrave Minerals Limited to be held at The Kings Park Room, Level 1, Quest West Perth, 54 Kings Park Road, West Perth, WA 6005 on Tuesday, 8 November 2022 at 12:00pm (AWST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 5, 6, 7, 8, 9 and 10 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 5, 6, 7, 8, 9 and 10 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 5, 6, 7, 8, 9 and 10 by marking the appropriate box in step 2.

## Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7	Approval of issue of Options to Director- Mr Rob Waugh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Mr Graham Ascough	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8	Approval of issue of Options to Director- Ms Kelly Ross	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9	Approval of issue of Options to Director- Mr John Percival	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Employee Securities Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 10	Approval of issue of Options to Director- Mr Brett Lambert	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of potential termination benefits under the Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 6	Approval of issue of Options to Director- Mr Graham Ascough	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

**Update your communication details** (Optional)

Mobile Number  Email Address  By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

