



Not for release to US wire services or for distribution in the United States

2 December 2022

Dear Shareholder

SHARE PURCHASE PLAN – LETTER TO ELIGIBLE SHAREHOLDERS

We write to you as the holder of fully paid ordinary shares (**Shares**) in the issued capital of Musgrave Minerals Limited (ASX: MGV) (**Musgrave** or the **Company**) with a registered address in Australia or New Zealand as at 4:00pm (AWST) on 24 November 2022 (**Record Date**).

On 25 November 2022, Musgrave announced a \$10 million capital raising comprising of an \$8 million placement to institutional and sophisticated investors of Shares at an issue price of \$0.20 per Share (**Placement**) and a \$2 million share purchase plan (**SPP**) (together, the **Capital Raising**).

In order to provide Eligible Shareholders with the opportunity to participate in the Capital Raising, the Company is pleased to provide details of its SPP offer (**Offer**). Under the Offer, Musgrave is giving each Eligible Shareholder (as defined below) the opportunity to purchase up to \$30,000 worth of Shares (**New Shares**), without incurring brokerage or other transaction costs. The issue price of the New Shares will be \$0.20 per New Share, being the same price as the Shares issued under the Placement.

The Offer is intended to raise \$2 million (before costs of the Offer) on the SPP terms and conditions (**Terms and Conditions**) enclosed with this letter. The Offer is not underwritten.

The issue price represents a:

- 13% discount to the closing market price of the Shares on the last day on which Shares were traded on the ASX immediately prior to the SPP being announced; and
- 15.3% discount to the volume weighted average market price of Shares on the last five days on which Shares were traded on the ASX immediately prior to the SPP being announced.

The Offer is offered exclusively to eligible shareholders (including custodians), being registered holders of Shares as at the Record Date with a registered address in Australia or New Zealand and not resident or located in the United States or any other jurisdiction in or into which an offer of New Shares would be unlawful, who meet certain other conditions as expressly prescribed in the Terms & Conditions (**Eligible Shareholders**).

The Offer opens on Friday, 2 December 2022 and is currently scheduled to close at **4.00pm (AWST) on Tuesday, 20 December 2022**. The New Shares are expected to be issued on Thursday, 29 December 2022 and commence trading on the ASX on 30 December 2022.

The Offer is made in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 and therefore does not require a prospectus for the purposes of Chapter 6D of the *Corporations Act 2001* (Cth).

Indicative Timetable

The indicative timetable for the Offer is detailed below:

Details	Date
Record Date The date on which the Company determines Eligible Shareholders	4:00 pm (AWST) on Thursday, 24 November 2022
Announcement of SPP	Friday, 25 November 2022
Opening Date The date on which the Offer opens	Friday, 2 December 2022
Closing Date The date on which the Offer closes Application Monies must be received by 4.00pm (AWST)	Tuesday, 20 December 2022
Announcement of SPP results	Thursday, 29 December 2022
Issue Date The date New Shares are intended to be issued	Thursday, 29 December 2022
Quotation of New Shares on ASX	Friday, 30 December 2022
Despatch of Holding Statements	Friday, 30 December 2022

The above dates are indicative only and, subject to compliance with applicable law, may be changed at the Company's discretion. Any changes will be advised to shareholders.

Current Activities and Use of Funds

Further information on the Company's current activities are set out in the announcements made by Musgrave to the ASX and are available directly from the ASX website www.asx.com.au or the Company's website www.musgraveminerals.com.au

Funds raised under the Capital Raising are indicatively proposed to be directed towards:

- Completion of the Stage 1 Pre-feasibility Study (**PFS**) which will focus on the technical and financial viability of the initial years of the Cue Gold Project;
- Completion and submittal of a mining proposal for the Cue Gold Project;
- Further development works;
- Completion of a RC/diamond drilling program of ~30,000m to test multiple high-priority targets identified on the Cue Gold Project (including resource definition drilling of the new Waratah and Amarillo gold discoveries) in light of the results from regional exploration drilling which continues to identify new mineralised zones;
- Continue to progress resource drilling to aim to advance conversion of Inferred Resources to the higher confidence Indicated category;
- Regional exploration focused on identifying and drill testing additional high-priority targets to pursue further growth of the resource base; and
- General working capital requirements, costs relating to the Capital Raising and contingent corporate purposes.¹

¹ The indicative use of funds is subject to change at the Musgrave Board's discretion.

Important Information

The Offer is governed by the enclosed Terms and Conditions. The Board urges you to read the Terms and Conditions carefully and in its entirety, together with announcements made by the Company to the ASX, before deciding whether to participate in the Offer.

If you are uncertain whether Shares are a suitable investment for you, you should consult your financial or other professional adviser. The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to electing to participate in the Offer.

Actions required to participate in the SPP

Eligible Shareholders may participate in the SPP by applying online on the Offer website at www.computersharecas.com.au/mgvsppoffer and pay directly via BPAY® (for Eligible Shareholders with an eligible Australian bank account). This is the fastest and easiest way to apply.

The following parcels of New Shares are available under the Offer:

	Subscription Amount (A\$)	Number of Shares
Parcel A	A\$30,000	150,000
Parcel B	A\$25,000	125,000
Parcel C	A\$20,000	100,000
Parcel D	A\$15,000	75,000
Parcel E	A\$10,000	50,000
Parcel F	A\$5,000	25,000
Parcel G	A\$2,000	10,000

If you are unable to pay via BPAY® or access the website to complete the online application, please contact Computershare via the Shareholder Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside of Australia) between 8.30am and 5.00pm (AWST), Monday to Friday, to obtain a personalised Application Form.

A New Zealand shareholder that is unable to pay by BPAY® will be offered EFT details via the Offer website at www.computersharecas.com.au/mgvsppoffer

You should be aware that your own financial institution may implement earlier cut-off times for electronic payments, and you should therefore take this into consideration when making a payment. Musgrave also reserves the right to close the Offer early or extend the Offer in its discretion. Eligible Shareholders who wish to participate in the SPP are therefore encouraged to apply early.

If you are a 'custodian', you may be required to submit a custodian certificate to the Company in order to participate on behalf of any beneficiaries. Please refer to the Terms and Conditions for further details.

Queries and further information

If you have any questions in relation to how to participate in the SPP, please contact Musgrave's Share Registry, Computershare Investor Services Pty Limited, from 8.30am to 5.00pm (AWST) Monday to Friday on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside of Australia). Details can also be found on the Company's website at www.musgraveminerals.com.au

Thank you for your continuing support as a valued shareholder.

Yours faithfully



Graham Ascough

**Non-Executive Chairman
Musgrave Minerals Limited**

SHARE PURCHASE PLAN

IMPORTANT NOTICES

General

This document is dated 2 December 2022.

This document is not a prospectus and has not been lodged with ASIC. Accordingly, this document does not contain all the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding whether or not to invest in the New Shares offered by this document.

This document is important and requires your immediate attention. It should be read in its entirety, along with the Company's ASX announcements (without limitation). If you do not understand or are in doubt about the contents of this document, or the action you should take, you should consult your financial or other professional adviser without delay.

The market price of Shares may rise or fall between the date of this document and the date the Company issues New Shares. Accordingly, the value of New Shares applied for is likely to rise or fall. In addition, fluctuations in the market price of Shares means that up to or after the date on which the Company issues New Shares to you, you may be able to buy Shares on the market at a lower price than the Issue Price. The Company and its Directors do not offer any recommendation or advice regarding participation in the Offer.

Holding securities in the Company is a speculative form of investment and the future price of Shares may rise or fall depending on, amongst other things, the prospects of the Company's interests in mineral projects, the Company's financial performance and financial position, economic factors and fluctuations on the stock market generally.

The information contained in this document is not financial product advice and does not take into account the investment objectives, financial situation or particular needs (including financial and tax issues) of any Eligible Shareholder. This document should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its securities or any other financial products.

This document does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this document. No action has been taken to permit the Offer in any jurisdiction other than Australia or New Zealand.

The distribution of this document in jurisdictions outside of Australia and New Zealand may be restricted by law and therefore persons into whose possession this document comes should observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any other jurisdiction.

Application will be made for the New Shares to be quoted on ASX. The New Shares have not been and will not be registered under any other applicable securities laws and they may not, subject to certain exceptions, be offered or sold directly or indirectly within any jurisdiction outside of Australia or New Zealand.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of the New Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement

under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

This document may not be released to US wire services or distributed in the United States. The New Shares have not been, and will not be, registered under the US Securities Act 1933 (the **Securities Act**) or the securities laws of any state or other jurisdiction of the United States. The New Shares may not be offered, sold or otherwise transferred in the United States except in a transaction exempt from, or not subject to, the registration of the Securities Act and the applicable laws of any state or other jurisdiction in the United States. The New Shares will not be offered, sold, directly or indirectly, to any person in the United States.

No Recommendation and Other Matters

The information in this document is not a recommendation to accept the Offer and does not constitute financial advice. Eligible Shareholders should therefore conduct their own investigations, assessment and analysis of the Company and its operations and prospects and must base their investment decision solely on those investigations and that assessment and analysis.

If, after reading this document, Eligible Shareholders have any questions regarding the Offer, they should contact their financial or other professional adviser before deciding whether or not to accept the Offer.

Capitalised terms in this document are defined in the Glossary.

The information in this document that relates to Musgrave's Mineral Resources has been extracted from Musgrave's previous ASX announcements including: ASX Announcement "Cue Mineral Resource Increases to 927,000 Ounces" dated 31 May 2022. The Competent Persons were Mr Paul Payne and Mr Peter Van Luyt. A copy of that announcement is available at <https://musgraveminerals.com.au/asx-announcements/> and www.asx.com.au. Musgrave confirms that it is not aware of any new information or data that materially affects the information included in that announcement and, in relation to the estimates of Musgrave's Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed. Musgrave confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from that announcement.

MUSGRAVE MINERALS LIMITED (ACN 143 890 671)
SHARE PURCHASE PLAN – TERMS & CONDITIONS OF OFFER

The following are the terms and conditions of the Company's share purchase plan (**Offer**). By accepting the Offer, you agree to be bound by these Terms & Conditions and the Company's constitution.

1. ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547

The Offer is offered in compliance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (ASIC Instrument 2019/547)*. ASIC Instrument 2019/547 provides relief from the requirement for the Company to provide a prospectus when offering Shares to existing Shareholders of the Company pursuant to a share purchase plan.

2. Opening Date and Closing Date of the Offer

The Offer opens on Friday, 2 December 2022 (**Opening Date**).

The Offer closes at 4.00pm (AWST) on Tuesday, 20 December 2022 (**Closing Date**).

Late applications will not be accepted. However, the Directors reserve their right, subject to the Corporations Act and the ASX Listing Rules, to vary the Closing Date without prior notice including closing the Offer early. Accordingly, the Directors encourage any Eligible Shareholders (including Custodians) wishing to participate in the Offer to lodge their Application Forms and/or remit their Application Monies as soon as possible. If the Closing Date is varied, subsequent dates may also be varied accordingly.

3. Who is eligible to participate in the Offer?

You are eligible to apply for New Shares under the Offer if you were registered as a holder of Shares as at 4:00pm (AWST) on 24 November 2022 (**Record Date**) and provided your registered address, as recorded in the Register, is in Australia or New Zealand and you are not resident or located in the United States nor acting for the account or benefit of a person in the United States, and you are not resident or located in any other jurisdiction in or into which an offer of New Shares would be unlawful (**Eligible Shareholders**).

The Offer to each Eligible Shareholder is made on the same terms and conditions.

Your rights under the Offer are personal to you and the Offer is non-renounceable (i.e. you may not transfer your right to subscribe for New Shares to anyone else).

4. Shareholder approval

The Company will issue the New Shares under ASX Listing Rules 7.2 (Exception 5) and 10.12 (Exception 4). Accordingly, Shareholder approval is not required for the issue of the New Shares pursuant to the Offer.

The Company reserves the right to scale back applications in such manner as the Directors see fit. Consequently, you may not receive the New Shares which you apply for pursuant to the Offer. The Company also reserves the right to accept oversubscriptions above A\$2 million.

5. Voluntary participation

The Offer is entirely voluntary and is subject to the Terms & Conditions. You are not obliged to participate in the Offer.

6. Issue Price

The issue price for each New Share is A\$0.20 (**Issue Price**) being a discount of 13% to the closing price of Shares on ASX immediately prior to Friday, 25 November 2022 (being the date on which the Company announced the Offer and Placement). The Issue Price is a 2.5% premium to the closing price of Shares on ASX on 30 November 2022 (being the last practical date prior to the date of this document). The method used to calculate the Issue Price was to match it to the issue price per Share offered pursuant to the Placement.

7. Important information on price risk to consider

Before deciding whether to accept the Offer, you should refer to the current market price of the Shares, which can be obtained from your stockbroker, your financial adviser or via the ASX website.

Subscription for New Shares is a speculative investment and the market price may change between the date you apply for New Shares and the issue of New Shares to you. Accordingly, the value of New Shares applied for is likely to rise or fall. Importantly, there is a risk that during the period between the time of the Offer and when the New Shares are issued to you, the price at which Shares are traded on ASX may be less than the Issue Price. You must rely on your own knowledge of the Company and previous disclosures made by the Company to ASX (including disclosure regarding risks of making an investment in the Company). ***In determining whether you wish to participate in the Offer and the extent to which you participate, you should seek your own personal financial and/or taxation advice referable to your personal circumstances.***

8. How much can you invest in the Offer?

Subject to paragraph 13, if you are an Eligible Shareholder, you may subscribe for a maximum of A\$30,000 worth of New Shares.

There is a minimum amount for which you may subscribe under the Offer which is \$2,000 worth of New Shares.

The following parcels of New Shares are available under the Offer:

	Subscription Amount (A\$)	Number of Shares
Parcel A	A\$30,000	150,000
Parcel B	A\$25,000	125,000
Parcel C	A\$20,000	100,000
Parcel D	A\$15,000	75,000
Parcel E	A\$10,000	50,000
Parcel F	A\$5,000	25,000
Parcel G	A\$2,000	10,000

The maximum limit of A\$30,000 worth of New Shares applies to you even if you receive more than one Offer (however please refer to paragraph 13 for information relating to Custodians). No fraction of New Shares will be issued.

All Application Monies must be paid in Australian dollars.

No brokerage, stamp duty or other costs are payable by applicants in respect of an application for New Shares.

9. Joint Holders

If two or more persons are registered on the Company's Register as jointly holding Shares, then they are taken to be a single registered holder of Shares and a certification given by any of them is taken to be a certification given by all of them. If a joint holder receives more than

one Offer due to multiple holdings, then the joint holder may only apply in aggregate for up to the maximum amount of \$30,000 in total (however, please refer to paragraph 13 for information on Custodians).

10. Scale back, oversubscriptions or refusal of application

The Company intends to raise up to A\$2 million by the issue of New Shares. However, if total demand for the offer exceeds A\$2 million, the Directors may in their absolute discretion, undertake a scale back to the extent and in the manner they see fit. Alternatively, the Company may elect to change the A\$2 million cap at its absolute discretion by announcement to ASX and accept oversubscriptions (subject to the maximum permitted under the ASX Listing Rules).

Factors which the Directors may take into account in determining any scale back include, but are not limited to:

- (a) the extent to which Eligible Shareholders have sold or bought additional Shares after the Record Date and the date the application was made;
- (b) the total Application Monies received;
- (c) the amount applied for by each Eligible Shareholder;
- (d) the number of Shares held by each Eligible Shareholder at the Record Date;
- (e) whether an Eligible Shareholder remains on the register on the Closing Date;
- (f) the date the Company received the payment of Application Monies; and
- (g) any other such criteria as determined by the Directors in their absolute discretion.

If there is a scale back, you may not receive all the New Shares for which you have applied. If a scale back produces a fractional number when applied to the number of New Shares for which you have applied, the number of New Shares issued to you will be rounded down to the nearest whole number of New Shares.

If there is a scale back, the difference between the Application Monies received from you, and the number of New Shares issued to you multiplied by the Issue Price, will be refunded to you in full (in A\$ and without interest and at your sole risk).

The Directors reserve their right (in their absolute discretion) to refuse an application (in whole or in part) if they consider that:

- (a) it is reasonable and prudent to do so;
- (b) the applicant is not an Eligible Shareholder;
- (c) the issue of those New Shares may contravene any applicable law, rule or regulation in any jurisdiction (including without limitation the Corporations Act or the ASX Listing Rules) or the requirements of any regulatory or governmental body or may require further action to be taken by the Company including, without limitation, registration of Shares or the preparation of a prospectus in any jurisdiction; or
- (d) the applicant has not otherwise complied with the Terms & Conditions.

If an application is refused in whole or in part, the relevant Application Monies will be returned to the applicant (in A\$ and without interest and at the applicant's sole risk).

All Directors' decisions in connection with a scale back or refusal of an application are final.

11. **Shortfall**

The Offer is not underwritten.

Subject to the ASX Listing Rules (including ASX Listing Rule 7.1), to the extent that there is a shortfall in the subscription of New Shares under the Offer (**Shortfall**), the Directors reserve the right to issue the New Shares that comprise the Shortfall to institutional, sophisticated and professional investors at their absolute discretion.

12. **Risk Factors**

Before deciding whether to accept the Offer, you should refer to the current market price of the Company's Shares, which can be obtained from daily newspapers, your stockbroker or financial adviser or the ASX.

Owning Shares in the Company is considered a speculative form of investment and the future price of Shares can rise or fall.

Shareholders should be aware that there is a risk that the market price of the Shares may change between the date of this Offer (or the date the Offer is accepted), and the date when the New Shares are issued. Accordingly, the value of New Shares applied for is likely to fluctuate.

Shareholders should note that the Offer is not made under a prospectus or other disclosure document and does not require the type of disclosure required under the Corporations Act for a disclosure document. Shareholders must rely on their own knowledge of the Company and previous disclosures made by the Company on the ASX. You should consult your professional adviser when deciding whether or not to accept the Offer and participate in the SPP. The contents of this document have not been reviewed by ASIC, ASX or any other any regulatory authority in any jurisdiction.

There are specific risks that relate to the Company's business. In addition, there are general risks, many of which are largely beyond the control of the Company and the Directors. The following is not intended to be an exhaustive list of risk factors to which the Company is exposed:

12.1. **Company Specific Risks**

(a) **Funding risks**

The Offer is not underwritten and there is no guarantee that the Company will raise the targeted \$2 million amount.

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

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

The ability of the Company to meet these future funding requirements, when they arise, will be dependent upon its continued capacity to access capital market funding sources and/or financing facilities via credit markets, including any environmental, social and government requirements. Funding via additional equity issues may be

dilutive to the Company's existing Shareholders and, if available, debt financing may be subject to the Company agreeing to certain debt covenants and encumbering the Company's assets.

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

(b) **The Company has no history of earnings and no production or revenues**

The Company has no history of earnings, and does not have any producing mining operations. The Company has experienced losses from exploration activities and the Company expects to continue to incur losses. No assurance can be given that the Company will be able to economically exploit any mineral deposit or enter into production.

The Company expects to continue to incur losses from exploration and development activities in the foreseeable future.

(c) **Return risks**

The New Shares to be issued pursuant to the Offer carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares, which are a speculative investment. The last trading price of Shares on ASX prior to this document is not a reliable indicator as to the potential trading price of Shares following completion of the Offer. There is no guarantee of liquidity. Further, the acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. The Company accepts no liability or responsibility with respect to tax consequences for investors. Potential investors should consider that the investment in the Company is highly speculative and should consult their professional financial advisers before deciding whether to apply for New Shares pursuant to the Offer.

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

(d) **Tenure, access and grant of applications**

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that tenements will be renewed (nor that tenement applications will be granted). There is a risk that applications for tenements within the Company's projects may not be granted.

The Company's projects are subject to relevant mining legislation. The renewal of the term of a granted tenement is also subject to government discretion, the Company's ability to meet the conditions imposed by relevant authorities is not certain, including compliance with the Company's work program requirements which, in turn, is dependent on the Company being sufficiently funded to meet those expenditure requirements. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability

to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority. The consequence of forfeiture or involuntary surrender of a granted tenement for reasons beyond the control of the Company could be significant.

Pursuant to the conditions of the tenements comprising the Company's projects, the Company is subject to payment and other obligations. In particular, tenement holders are required to expend the funds necessary to meet the minimum work commitments attaching to the tenements. Failure to meet these work commitments may render the tenement liable to be cancelled or its size reduced.

Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of the Company's interest in the Company's projects.

There is a risk of inability to access the land required for operations on tenements. This may, for example, be as a result of weather, environmental restraints, native title, landholder's activities, regulatory or third party objections or other factors. Such difficulties may cause delays and cost overruns (and may prevent the carrying out of activities on tenements).

Interests in tenure may also be compromised or lost due to third party interests or claims.

(e) **Joint venture risk**

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

(f) **Access risks**

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

(g) **Native title, cultural heritage and sacred sites**

Mining tenements in Australia are subject to native title laws and may be subject to future native title applications. Native title may preclude or delay granting of

exploration and mining tenements or the ability of the Company to explore, develop and/or commercialise the mining tenements. Considerable expenses may be incurred negotiating and resolving issues, including any compensation agreements reached in settling native title claims lodged over any of the mining tenements held or acquired by the Company.

The presence of Aboriginal sacred sites and cultural heritage artefacts on mining tenements is protected by Western Australian and Commonwealth laws. Any destruction or harming of such sites and artefacts may result in the Company incurring significant fines and court injunctions. The existence of such sites may limit or preclude exploration or mining activities on those sites, which may cause delays and additional expenses for the Company in obtaining clearances.

The Company is respectful of Aboriginal culture and preservation of significant Aboriginal sites. In relation to tenements which the Company has an interest in or may in the future acquire such an interest, there may be areas or objects of Aboriginal heritage. If Aboriginal heritage sites or objects exist, the Company may need to enter into agreements with the Traditional Owners of the sites. The ability of the Company to implement its work program may be adversely affected in both time and cost.

(h) **Reliance on key management and directors**

The Company is reliant on a number of key personnel employed or engaged by the Company. Loss of such personnel may have a materially adverse impact on the performance of the Company. It may be difficult for the Company to continue to attract and retain suitably qualified and experienced people.

The Board is aware of the need to have sufficient management to properly supervise the exploration and development studies (if successful) for the development and potential future operations of the Project.

(i) **New projects, acquisitions and joint ventures**

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

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

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

(j) **Tax law and application risk**

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

is contrary to the Company's view of those laws may increase the amount of tax paid or payable by the Company.

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

(k) **Dilution risk**

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

(l) **Risk that trading in securities of the Company may not be liquid**

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

12.2. Mining industry risks

(a) **Nature of mineral exploration and mining**

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

The success of the Company depends, among other things, on successful exploration, feasibility of projects, securing and maintaining title to tenements and consents, successful design, construction, commissioning and operating of mining and processing facilities, successful development and production in accordance with forecasts and successful management of the operations. Exploration and mining activities may also be hampered by force majeure circumstances, land claims and unforeseen mining problems.

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

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

The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. The Company believes that those consultants and others are competent and that they have carried out their work in

accordance with internationally recognised industry standards. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays or increased costs in exploring or developing its tenements.

(b) **Exploration risks**

The Company's tenements (including those for which it may have rights to acquire) include a number of prospects which have had significant exploration works undertaken and are considered to be at an advanced stage. The Company intends to continue its extensive exploration work.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions.

There is no assurance that, exploration and development of the mineral interests currently held by the Company or any other projects that may be acquired by the Company in the future, will result in an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that these can be profitably exploited. Potential investors should understand these are high-risk undertakings

(c) **Mineral Resource estimation**

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

Subject to the results of exploration and testing programs to be undertaken, the Company is completing a stage 1 preliminary feasibility study for the Project and may (subject to (among other things) the Board's discretion and the availability of funding) conduct further feasibility studies. These studies are proposed to be completed within parameters designed to determine the economic feasibility of the Project within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Project, or the results of other studies undertaken by the Company (e.g. the results of a definitive feasibility study may materially differ to the results of a preliminary feasibility study). Even if a study confirms the economic viability of the Project (which may not occur), there can be no guarantee that the Project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study (e.g. operational costs and commodity prices) once production commences. There is no guarantee production will reflect the resource model. Further, the ability of the Company to complete future studies may be dependent on the Company's ability to raise further funds.

(d) **Payment obligations**

Pursuant to the tenements comprising the Company's projects, the Company is subject to payment and other obligations. In particular, tenement holders are required to expend the funds necessary to meet the minimum work commitments attaching to the tenements. Failure to meet these work commitments may render the tenement liable to be cancelled or its size reduced. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that

may be available to other parties, this could result in dilution or forfeiture of the Company's interest in its projects.

(e) **Commodity price volatility**

If the Company achieves success leading to mineral production (which may never occur), the revenue it could derive through the sale of commodities exposes the potential income of the Company to price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company including the international supply and demand for commodities, the quality of the minerals produced, actions taken by governments, forward selling activities and other macro-economic factors.

(f) **Environmental regulation risk**

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

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

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

(g) **Metallurgical recovery risk**

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

(h) **Climate change risk**

There are a number of climate-related factors that may affect the operations and financial position of the Company. Climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes and earthquakes) may have an adverse

effect of the Company's operations and/or the Company's future financial performance.

The climate change risks particularly attributable to the Company include the emergence of new or expanded regulations associated with the transitioning to a lower carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. Climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

As the Company is progressing towards a mining operation, new data may emerge that would require the Company to amend its climate change mitigation strategies which may incur additional costs.

(i) **Occupational health and safety risk**

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

A serious site health and safety incident may result in significant interruptions and delays in the Project. A health and safety incident which results in serious injury, illness or death may also expose the Company to significant penalties and the Company may be liable for compensation. These liabilities may not be covered by the Company's insurance policies or, if they are covered, may exceed the Company's policy limits or be subject to significant deductibles. Also, any claim under the Company's insurance policies could increase the Company's future costs of insurance.

Accordingly, any liabilities for workplace accidents could have a material adverse impact on the Company's liquidity and financial results and reputation. In addition, it is not possible to anticipate the effect on the Company's business of any changes to workplace health and safety legislation or directions necessitated by concern for the health of the workforce. Such changes may have an adverse impact on the financial performance and/or financial position of the Company. The Company has also taken out and maintains what it considers to be an adequate level of workers compensation insurance.

The Company has in place a group health and safety management system to ensure significant risks have robust sustainable safety controls. If the health and safety management system is not implemented or complied with adequately, there is a risk that a serious health and safety incident may occur which can result in (among other adverse events) delays in the Project as described above. There are also risks which cannot be mitigated by such a system.

(j) **COVID-19**

The global economic outlook is uncertain due to the prevailing COVID-19 pandemic, which could continue to have, a significant impact on global capital markets, commodity prices and foreign exchange. Uncertainty continues as to the ongoing and future response of government authorities and regulators as well as a likelihood of a global or more localised economic recession of unknown duration or severity.

Therefore, the ongoing impact of COVID-19 or other future potential infectious diseases to the Company, is not fully known.

Any further governmental or industry measures taken in response to COVID-19 or other potential new infectious diseases, and the application of current measures may adversely impact the Company's operations and are likely to be beyond the control of the Company and could cause consequential disruption and costs, plus difficulties managing the ramp up of exploration activities at the Project. In particular a sustained lockdown or sustained community transmission of an infectious disease in Western Australia may have a materially adverse impact on the Company's operations.

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

Any infections occurring at site or access to site could force activities to be suspended for an unknown period of time which could have an adverse impact on future development plans at the Company's Project.

The potential effects of these possible outcomes on the Company include, but are not limited to:

- (i) closure of and/or reduced activities at the Company's Project;
- (ii) delays or interruption in supply chains leading to an inability to secure or obtain raw materials, finished products, components, or required plant and equipment;
- (iii) health outcomes for the Company's employees, which could result in the closure of a project or infrastructure for a period and could adversely affect the availability of technically equipped and qualified personnel;
- (iv) counterparty non-performance or claims under existing contractual arrangements; and
- (v) delays of projects with large associated capital spend, deferral of discretionary capital spend and impact on valuation of assets.

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

The Directors are actively monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on any significant adverse impact on the Company and its operations.

(k) **Approval risk**

The Company will be reliant on heritage, environmental, native title and other approvals required in Australia to enable it to proceed with the exploration and development of any of its tenements or the granting of any tenement applications or to access land for exploration and mining activities. There is no guarantee that the required approvals will be granted, and failure by the Company to obtain the relevant approvals, or any delay in the award or transfer of the approvals, may materially and adversely affect the Company's ability to proceed with its proposed exploration and

development programs. Inability or delays in gaining such access may adversely impact the Company's ability to undertake its proposed activities. The Company may need to enter into compensation and access agreements before gaining access to land.

(l) **Operational risk**

The operations of the Company may be affected by various factors which are beyond the control of the Company, such as failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in exploration and mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages, delays in procuring, or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company. The operations of the Company may also be affected by various other factors, including failures in internal controls and financial fraud.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

12.3. General Risks

(a) **Market conditions and other economic risks**

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

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

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

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

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

(b) **Changes in government policies and legislation**

Any material adverse changes in government policies or legislation of Australia, or any other country that the Company may acquire economic interests in may affect the viability, prospects and profitability of the Company.

(c) **Accounting standards**

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

(d) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account in the preparation of the Terms and Conditions. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(e) **Insurance**

The Company will, where possible and economically practicable, endeavour to mitigate some project and business risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover.

(f) **Litigation risks**

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company may become subject could have a material effect on its financial position and financial performance, and consume undue management time and resources.

(g) **Risk that expected future events may not occur**

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

13. Custodian Certification

If on the Record Date you are a Custodian and hold Shares on behalf of one or more persons each of whom is an Eligible Shareholder (each, a **Participating Beneficiary**), the Offer is made to you and you have the discretion whether to extend the Offer to the Participating Beneficiaries. You may apply up to a maximum of A\$30,000 worth of New Shares for each Participating Beneficiary.

In any consecutive 12-month period, the Company can only issue to a Custodian Shares up to the value of A\$30,000, unless the Custodian certifies in writing (**Custodian Certificate**):

- (a) either or both of the following:
 - (i) that the Custodian holds Shares on behalf of one or more Participating Beneficiaries that are not Custodians; and
 - (ii) that another Custodian (**Downstream Custodian**) holds beneficial interests in Shares on behalf of one or more Participating Beneficiaries, and the Custodian holds the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian,

on the Record Date and that each Participating Beneficiary has subsequently instructed the following persons:
 - (iii) where paragraph 13(a)(i) applies – the Custodian; and
 - (iv) where paragraph 13(a)(ii) applies – the Downstream Custodian,

to apply for New Shares on their behalf under the Offer;
- (b) the number of Participating Beneficiaries;
- (c) the name and address of each Participating Beneficiary;
- (d) in respect of each Participating Beneficiary:
 - (i) where paragraph 13(a)(i) applies, the number of Shares that the Custodian holds on their behalf; and
 - (ii) where paragraph 13(a)(ii) applies, the number of Shares to which the beneficial interests relate;
- (e) in respect of each Participating Beneficiary:
 - (i) where paragraph 13(a)(i) applies, the number or the dollar amount of New Shares they instructed the Custodian to apply for on their behalf; and
 - (ii) where paragraph 13(a)(ii) applies, the number or the dollar amount of New Shares they instructed the Downstream Custodian to apply for on their behalf;
- (f) there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds A\$30,000:
 - (i) the New Shares applied for by the Custodian on their behalf under the Offer in accordance with the instructions in paragraph 13(e); and
 - (ii) any other Shares issued to the Custodian in the 12 months before the application under the Offer as a result of an instruction given by them to

the Custodian or Downstream Custodian to apply for Shares on their behalf under an arrangement similar to the Offer;

- (g) that a copy of this document was given to each Participating Beneficiary; and
- (h) where paragraph 13(a)(ii) applies, the name and address of each Custodian who holds beneficial interests in the Shares held by the Custodian in relation to each Participating Beneficiary.

In providing a Custodian Certificate under this paragraph 13, the Custodian may rely on information provided to it by the Participating Beneficiary and any Custodian who holds beneficial interests in the Shares held by the Custodian.

If the Company is not satisfied with the Custodian Certificate (for whatever reason), the Company will not issue any New Shares to the Custodian on behalf of the relevant Participating Beneficiaries.

If you require a Custodian Certificate or require further information about the Custodian application process, you should contact the Share Registry.

If you hold Shares as a trustee or nominee for another person, but are not a Custodian as defined in the Glossary below, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings set out in paragraph 8 apply.

14. Effect of making an application and Shareholder certification

If you apply for New Shares (including (without limitation) by submitting payment by BPAY® or electronic funds transfer (**EFT**) for Eligible Shareholders outside of Australia), you:

- (a) will be deemed to have warranted and represented that you are an Eligible Shareholder and are eligible to participate in the Offer;
- (b) irrevocably and unconditionally agree to the Terms & Conditions and the terms of the Application Form;
- (c) acknowledge that your application will be irrevocable and unconditional;
- (d) certify and represent to the Company that you have not applied for more than A\$30,000 worth of New Shares (subject, if applicable, to any valid Custodian Certificate (which is acceptable to the Company) which you have provided to the Company pursuant to paragraph 13 above in your capacity as a Custodian);
- (e) certify that the total of the application price for the following does not exceed A\$30,000 (irrespective of whether you may have received more than one Offer or received Offers in more than one capacity):
 - (i) the New Shares the subject of your application under the Offer;
 - (ii) any other New Shares issued to you under the Offer or any other Shares issued to you under any similar arrangement in the 12 months before the application under the Offer (excluding Shares applied for but not issued);
 - (iii) any other New Shares which you have instructed a Custodian to acquire on your behalf under the Offer; and
 - (iv) any other Shares issued to a Custodian under an arrangement similar to the Offer in the 12 months before the application under the Offer as a result of an instruction you have given to a Custodian,

(subject, if applicable, to any valid Custodian Certificate (which is acceptable to the Company) which you have provided to the Company pursuant to paragraph 13 above in your capacity as a Custodian);

- (f) agree to be bound by the Company's constitution; and
- (g) will be deemed to have made the following declarations and representations:
 - (i) you acknowledge that the New Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and accordingly the New Shares may not be offered or sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction in the United States;
 - (ii) you represent and warrant that you are not in the United States and are not acting for the account or benefit of a person in the United States;
 - (iii) you agree not to send this document, the Application Form or any other material relating to the Offer to any person in the United States or elsewhere outside of Australia or New Zealand;
 - (iv) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are making an application is resident in Australia or New Zealand (except, with the written consent of the Company, in another country in compliance with the applicable laws), and is not in the United States;
 - (v) you are in compliance with all relevant laws and regulations (including, without limitation, section 1043A of the Corporations Act (insider trading) and sections 241 to 243 of the Financial Markets Conduct Act 2013 (insider trading) and laws and regulations designed to restrict terrorism financing and/or money laundering);
 - (vi) you are not a "designated person" or "designated entity" (or other like term) for the purpose of any domestic or international law or regulation implementing United Nations sanctions; and
 - (vii) you acknowledge that the market price of Shares may rise or fall between the date this Offer commences and the date when New Shares are allotted and issued to you under the Offer and that the price you pay per New Share pursuant to this Offer may exceed the price of Shares at the time the New Shares are allotted and issued to you under the Offer.

15. Offer costs

The only cost associated with the Offer is the Issue Price for the number of New Shares for which you wish to subscribe. You do not have to pay for brokerage, commission or other transaction costs which would normally apply when you acquire Shares on market.

16. Issue of New Shares and variation on number of New Shares issued

The New Shares will be issued on the Issue Date (unless otherwise determined by the Directors, subject to compliance with the ASX Listing Rules).

The Share Registry will send to you a holding statement in due course following the Issue Date.

If an application is refused in whole or in part, the relevant Application Monies will be returned to the applicant without interest and at the applicant's sole risk. If required, the Company may also scale back applications in such manner as the Directors see fit.

The Company intends to raise up to A\$2 million through the Offer but reserves the right to accept oversubscriptions above A\$2 million or increase the size of the Offer (subject to compliance with ASX Listing Rules) in its absolute and sole discretion.

In accordance with ASX Listing Rules 7.2 (Exception 5) and 10.12 (Exception 4), the total number of New Shares issued under the Offer must not exceed 30% of the number of Shares currently on issue.

17. What rights will the New Shares carry?

Once the New Shares are issued, they will rank equally with existing Shares and will carry the same voting rights, dividend rights and other entitlements.

18. Can the Company change, suspend or terminate the Offer?

The Company may at any time change, suspend or terminate the Offer. If the Company changes, suspends or terminates the Offer it will advise Shareholders through an ASX announcement. The accidental omission to give notice of changes to or suspension or termination of the Offer or the non-receipt of any such notice will not invalidate the change, suspension or termination.

19. Directors' participation

Subject to ASX Listing Rule 10.12 (Exception 4) being satisfied at the date of the issue of the New Shares, Directors who are Eligible Shareholders may (without having to obtain prior Shareholder approval), participate in the Offer, on the same terms as all other Eligible Shareholders.

20. How do you pay for the New Shares?

All amounts in the Offer are expressed in Australian dollars. You must pay for the New Shares either by:

- (a) applying online on the Offer website at www.computersharecas.com.au/mgvspoffer and pay directly via BPAY® (for Eligible Shareholders with an eligible Australian bank account) or by EFT; or
- (b) If you are unable to pay via BPAY® or access the website to complete the online application, please contact Computershare via the Shareholder Information Line on 1300 580 505 (within Australia) or +61 3 9415 4000 (outside of Australia) between 8.30am and 5.00pm (EDST), Monday to Friday, to obtain a personalised Application Form.

A New Zealand shareholder that is unable to pay by BPAY® will be offered EFT details via the offer website at www.computersharecas.com.au/mgvspoffer.

It is your responsibility to ensure funds are submitted correctly so they are received by 4.00pm (AWST) on the Closing Date. You should be aware of your financial institution's cut-off time.

If you do not provide the exact amount of Application Monies, the Company reserves its right to return your monies or round your Application Monies down to the next valid parcel. If the Company returns your monies, no New Shares will be issued to you.

21. Can I pay with cash, cheque or money order?

No, cash, cheques and money orders will not be processed and will be returned to applicants.

22. Please provide payment for the exact amount

If you do not provide the exact amount, the Company reserves its right to return your monies. If the Company returns your monies, no New Shares will be issued to you.

If you make a BPAY® or EFT payment and do not provide the exact amount, you will, subject to the Terms & Conditions, be deemed to have applied for such New Shares for which you have paid.

23. Dispute resolution

The Company may settle any dispute in connection with the Offer in any manner it thinks fit, whether generally or in relation to any participant, application or Share. The Company's decision will be final and binding.

The Company reserves its right to waive strict compliance with any provision of the Terms & Conditions.

24. Quotation and registration of your Shares

The Company will apply for the New Shares issued to you to be quoted on ASX within the relevant period required by the ASX Listing Rules.

The Company participates in CHESS. Under CHESS, you will not receive a share certificate but will receive a statement of your holding of Shares. The CHESS statement will prescribe the number of New Shares issued pursuant to the Offer, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Shares.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

If you are registered on the Issuer Sponsored Subregister, the Share Registry will dispatch your statement, which will contain the number of New Shares issued to you under the Offer and your security holder reference number.

25. No liability

The Company, including its officers and agents, are not liable for any consequences of the exercise or non-exercise of its discretions referred to in these Terms & Conditions.

26. Privacy

By receiving applications, the Company collects personal information about Shareholders. The Company will use this information for the purposes of processing the application and updating the records of the Company. To the extent restricted by law, the Company will not disclose personal information about a Shareholder to a third party. To the extent permitted by law, Shareholders are able to access, upon request, personal information held about them by the Company.

27. Governing law and jurisdiction

These Terms & Conditions are governed by the laws in force in Western Australia. Any dispute arising out of or in connection with these Terms & Conditions, or the offer of New Shares, will be determined by the courts of Western Australia. By accepting this Offer, you agree to submit to the non-exclusive jurisdiction of the courts in Western Australia.

HOW DO YOU APPLY FOR NEW SHARES UNDER THE OFFER

If you wish to participate in the Offer please read the Terms & Conditions carefully. If you wish to participate in the Offer you must subscribe for:

- (a) a minimum parcel of A\$2,000 worth of New Shares;
- (b) a parcel of A\$5,000 worth of New Shares;
- (c) a parcel of A\$10,000 worth of New Shares;
- (d) a parcel of A\$15,000 worth of New Shares;
- (e) a parcel of A\$20,000 worth of New Shares;
- (f) a parcel of A\$25,000 worth of New Shares; or
- (g) a maximum parcel of A\$30,000 worth of New Shares.

Application Forms and payments under the Offer are irrevocable and may not be withdrawn once the Company receives it. Applications may be scaled back at the absolute discretion of the Company.

If you make a BPAY® or EFT payment, you do not need to return the Application Form. However, you **must** quote your reference number provided to you via the offer website which will process your payment to your entitlement. Please ensure you make a payment for the exact amount of the New Share parcel for which you wish to subscribe. You will be deemed to have applied for such parcel of New Shares for which you have paid, subject to the Terms & Conditions. You should also be aware of your financial institution's cut-off time. It is your responsibility to ensure funds are submitted correctly so they are received by 4.00pm (AWST) on the Closing Date.

By making your payment using BPAY or EFT, in addition to agreeing with the other Terms & Conditions, you represent to the Company and certify that the total of the application price for the matters set out in paragraph 14(e) does not exceed A\$30,000.

Late applications will not be accepted. However, the Directors reserve their right, subject to the Corporations Act and the ASX Listing Rules, to vary the Closing Date without prior notice. If the Closing Date is varied, subsequent dates may also be varied accordingly.

Application Monies must be paid in Australian dollars.

Ensure that your payment is received by the Share Registry by the Closing Date **no later than 4.00pm (AWST) on Tuesday, 20 December 2022** noting that the Directors reserve the right to withdraw the Offer, close the Offer early or extend the Offer.

GLOSSARY

A\$ or \$ means Australian dollar.

AAS means Australian Accounting Standards.

AASB means the Australian Accounting Standards Board.

Application Form means the application form accompanying this document.

Application Monies means monies paid by Eligible Shareholders in respect of New Shares the subject of an application pursuant to the Offer.

ASIC means the Australian Securities and Investments Commission.

ASIC Instrument 2019/547 means *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* issued by ASIC (as amended from time to time).

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

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

ASX Settlement means ASX Settlement Pty Limited (ACN 008 504 532).

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

Board means the board of Directors.

CHES means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date has the meaning given in paragraph 2 of the Terms & Conditions.

Company or **Musgrave** means Musgrave Minerals Ltd ACN 143 890 671.

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

Custodian has the meaning given in the ASIC Instrument 2019/547, being a person that provides a custodial or depository service in relation to shares of a body or interests in a registered scheme and who:

- (a) holds an Australian financial services licence covering the provision of a custodial or depository service;
- (b) is exempt from the requirement to hold an Australian financial services licence covering the provision of a custodial or depository service;
- (c) holds an Australian financial services licence covering the operation of an investor directed portfolio service (**IDPS**) or is a responsible entity of an IDPS-like scheme;
- (d) is a trustee of a self-managed superannuation fund or a superannuation master trust; or
- (e) is a registered holder of shares or interests in the class and is noted on the register of members of the body or scheme as holding the shares or interests on account of another person.

Custodian Certificate has the meaning given to that term in paragraph 13 of the Terms & Conditions.

Directors means the directors of the Company from time to time.

Downstream Custodian has the meaning given to that term in paragraph 13 of the Terms & Conditions.

EFT means electronic funds transfer.

Eligible Shareholder has the meaning given to that term in paragraph 3 of the Terms & Conditions.

Issue Date means the date on which New Shares will be issued, which as at the date of this document is expected to be on or around Thursday, 29 December 2022.

Issue Price has the meaning given to that term in paragraph 6 of the Terms & Conditions.

Issuer Sponsored Subregister means that part of the register for a class of the Company's securities for which CHESS approval has been given in accordance with the operating rules of ASX Settlement that is administered by the Company (and not by ASX Settlement) and that records uncertificated holdings of securities.

New Shares means the Shares to be issued to Eligible Shareholders who accept the Offer.

Offer has the meaning given to that term at the head of the Terms & Conditions.

Opening Date has the meaning given in paragraph 2 of the Terms & Conditions.

Participating Beneficiary has the meaning given to that term in paragraph 13 of the Terms & Conditions.

Placement means the placement of 40,000,000 Shares to sophisticated and professional investors as announced by the Company on Friday, 25 November 2022.

Project means the Cue Project located in the Murchison Province of Western Australia.

Record Date has the meaning given to that term in paragraph 3 of the Terms & Conditions.

Register means the share register maintained by or on behalf of the Company in Australia.

Securities Act has the meaning given in the 'Important Notices' section of this document.

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

Share Registry or Computershare means Computershare Investor Services Pty Limited.

Shareholder means a registered holder of Shares.

Shortfall has the meaning given to that term in paragraph 11 of the Terms & Conditions.

SPP means the share purchase plan comprising the Offer.

Terms & Conditions means the terms and conditions of the Offer as expressly prescribed in this document.

For all enquiries:

Phone:



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

Web:



www.computersharecas.com.au/mgvspopper

MGV

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:



See overleaf for details of the Offer and how to make your payment

Share Purchase Plan Application Form

 **Your payment must be received by 4:00pm (AWST) on Tuesday, 20 December 2022**

This is an important document that requires your immediate attention.

It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

By making payment you agree to be bound by the constitution of Musgrave Minerals Limited and that the submission of this payment constitutes an irrevocable offer by you to subscribe for Musgrave Minerals Limited shares on the terms of the Share Purchase Plan (SPP).

In addition, by making payment you certify that:

- You are not applying for New Shares with an application price of more than \$30,000 under the Offer (including by instructing a Custodian to acquire New Shares on your behalf under the Offer); and
- The total of the application price does not exceed \$30,000 in relation to:
 - a) the New Shares that are the subject of this application; and
 - b) any other Shares issued to you under the Offer or any similar arrangement in the 12 months before the application (excluding Shares applied for but not issued).

Musgrave Minerals Limited may make determinations in any manner it thinks fit, in relation to any difficulties which may arise in connection with the SPP whether generally or in relation to any participant or application.

Any determinations by Musgrave Minerals Limited will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. Musgrave Minerals Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions or to suspend or terminate the SPP at any time. Any such amendment, suspension or termination will be binding on all Eligible Shareholders even where Musgrave Minerals Limited does not notify you of that event.

The Company intends to raise up to A\$2 million by the issue of New Shares. However, if total demand for the offer exceeds A\$2 million, the Directors may in their absolute discretion, undertake a scale back to the extent and in the manner they see fit. Alternatively, the Company may elect to change the A\$2 million cap at its absolute discretion by announcement to ASX and accept oversubscriptions (subject to the maximum permitted under the ASX Listing Rules).

Step 1: Registration Name & Offer Details

Details of the shareholding and the Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Choose your payment option

Your payment must correspond to one of the options detailed overleaf. You may choose one option only. Note that the amount chosen may be subject to scale back in accordance with the terms of the SPP.

Step 3: Make Your Payment

Payment Method


BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

Share Purchase Plan Application Form

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IND

STEP 1 Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Entitlement No: 12345678

Offer Details: Record date: **24 November 2022**

Minimum value available to purchase: **\$2,000**

Maximum value available to purchase: **\$30,000**

STEP 2 Choose your payment option (and retain this for your records)

Purchase Details for Musgrave Minerals Limited (choose one option)

- \$2,000 of New Shares OR \$5,000 of New Shares OR \$10,000 of New Shares
- \$15,000 of New Shares OR \$20,000 of New Shares OR \$25,000 of New Shares
- \$30,000 of New Shares

STEP 3 Make Your Payment by 4:00pm (AWST) on Tuesday, 20 December 2022

Make your payment via **BPAY** either online or by phone with your bank using the payment details below. If you are unable to pay via **BPAY**, Please call the information line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) to obtain alternative payment instructions.

BPAY



Biller Code: 389858
Ref No: 1234 5678 9123 4567 89

Contact your financial institution to make your payment from your cheque or savings account.

BPAY

Neither Computershare Investor Services Pty Limited (CIS) nor Musgrave Minerals Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by the closing date. Eligible Shareholders should use the customer reference number shown on this Application Form when making a BPAY payment.

Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuer (the **issuer**), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at www.computershare.com/au/privacy-policies.