
Musgrave Minerals Limited

ABN 12 143 890 671

NOTICE OF GENERAL MEETING

EXPLANATORY STATEMENT

PROXY FORM

Date of Meeting

15 August 2016

Time of Meeting

10.00am (WST)

Place of Meeting

Grant Thornton
Level 2, 10 Kings Park Road,
West Perth, Western Australia, 6005

Please read this Notice of General Meeting and Explanatory Statement carefully.

If you are unable to attend the General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

NOTICE IS HEREBY GIVEN that a General Meeting of Shareholders of Musgrave Minerals Limited will be held at Grant Thornton, Level 2, 10 Kings Park Road, West Perth, Western Australia on 15 August 2016 at 10.00am (WST), for the purpose of transacting the business referred to in this Notice of General Meeting (**Notice**).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Statement and Proxy Form form part of this Notice of Meeting. Terms and abbreviations used in this Notice and Explanatory Statement are defined in Schedule 1 of the Explanatory Statement.

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 Statement.

Proxy Forms must be received by no later than 10.00am (WST) on 13 August 2016.

AGENDA

RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES TO SILVER LAKE RESOURCES

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

“That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,032,258 Shares to Silver Lake Resources Limited on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 2 – RATIFICATION OF PLACEMENT SHARES

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

“That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 12,711,864 Shares to sophisticated and professional investor clients of Patersons Securities Limited on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 3 – ISSUE OF SHORTFALL SHARES UNDER SHARE PURCHASE PLAN TO UNDERWRITERS

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

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 21,186,441 Shares to Underwriters on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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.



PATRICIA FARR
Company Secretary
8 July 2016

EXPLANATORY STATEMENT

1. INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Grant Thornton, Level 2, 10 Kings Park Road, West Perth, Western Australia on 15 August 2016 at 10.00am (WST). The purpose of this Explanatory Statement is to provide information to Shareholders in deciding how to vote on the Resolutions set out in the Notice.

This Explanatory Statement should be read in conjunction with and forms part of the accompanying Notice, and includes the following:

A Proxy Form is located at the end of the Explanatory Statement.

Please contact the Company Secretary on +61 8 9324 1061 if you wish to discuss any matter concerning the meeting.

2. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice and this Explanatory Statement carefully before deciding how to vote on the Resolutions.

2.1 Voting in person

A shareholder that is an individual may attend and vote in person at the meeting. If you wish to attend the meeting, please bring the enclosed proxy form to the meeting to assist in registering your attendance and number of votes. Please arrive 20 minutes prior to the start of the meeting to facilitate this registration process.

2.2 Voting by proxy

If you do not wish to attend the meeting, you may appoint a proxy to attend and vote on your behalf. A body corporate may also appoint a proxy. A proxy need not be a shareholder. If a representative of a corporate proxy is to attend the meeting, you must ensure that the appointment of the representative is in accordance with section 250D of the Corporations Act. The corporate representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed. A form of the certificate may be obtained from the Company's share registry.

You are entitled to appoint up to 2 proxies to attend the meeting and vote on your behalf and may specify the proportion or number of votes that each proxy is entitled to exercise. If you do not specify the proportion or number of votes that each proxy is entitled to exercise, each proxy may exercise half of the votes. If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning the Company's share registry or you may copy the enclosed proxy form. To appoint a second proxy, you must follow the instructions on the proxy form.

Sections 250BB and 250BC of the Corporations Act took effect on 1 August 2011 and apply to voting by proxy. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the chairman of the meeting, who must vote the proxies as directed.

If the proxy has two or more appointments that specify different ways to vote on a resolution, the proxy must not vote on that resolution on a show of hands.

To be valid, your proxy form (and any power of attorney under which it is signed) must be received at an address given below by 10.00am WST on 13 August 2016. Any proxy form received after that time will not be valid for the scheduled meeting.

Online	At www.investorvote.com.au
By mail	Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria, 3001, Australia
By fax	1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)
By mobile	Scan the QR Code on your proxy form and follow the prompts
Custodian voting	For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

2.3 Corporate representatives

Shareholders who are body corporate may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the body corporate's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

An appointment of corporate representative form is available from the website of the Company's share registry (www.computershare.com.au).

2.4 Eligibility to vote

The Directors have determined that, pursuant to Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered holders of Shares at 5.00pm (WST) on 13 August 2016.

3. RESOLUTION 1: RATIFICATION OF PRIOR ISSUE OF SHARES TO SILVER LAKE RESOURCES

3.1 General

On 25 November 2015, the Company announced that it had entered into a conditional Farm-In and Joint Venture Agreement (**Agreement**) with Silver Lake Resources Limited on the Cue Project which includes the Moyagee and Hollandaire Mineral Resources and Reserves in the Murchison goldfields of Western Australia.

Following satisfaction of conditions precedent pursuant to the Agreement the Company issued 4,032,258 fully paid ordinary shares to Silver Lake Resources Limited at a deemed issue price of \$0.0186 per Share. The Shares issued are subject to a voluntary restriction period which expires on 29 October 2016.

3.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purposes of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the figure up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval.

This Share issue was made under the 15% placement capacity in accordance with ASX Listing Rule 7.1.

3.3 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of Shares:

- (a) a total of 4,032,258 Shares were issued as a condition of the Cue Project Farm-in and Joint Venture Agreement;
- (b) the deemed issue price was \$0.0186 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Silver Lake Resources Limited, who is not a related party of the Company; and
- (e) no funds were raised from the issue of the Shares as the Shares were issued to satisfy a condition of the Agreement with Silver Lake Resources Limited on the Cue Project as outlined in the ASX Announcement dated 25 November 2015.

The Board recommends Shareholders vote in favor of this resolution.

4. RESOLUTION 2: RATIFICATION OF PLACEMENT SECURITIES

4.1 General

On 4 July 2016, the Company announced the completion of a placement to institutional and sophisticated investors of 12,711,864 Shares at an issue price of 5.9 cents per share to raise \$750,000 (**Patersons' Placement**). The Shares were issued to sophisticated and professional investor clients of Patersons Securities Limited.

The Company issued the Shares the subject of the Patersons Placement without prior Shareholder approval out of the Company's 15% annual placement capacity.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

A summary of ASX Listing Rule 7.1 is set out in Section 3.2 above.

4.2 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of Shares:

- (a) a total of 12,711,864 Shares were issued;
- (b) the issue price was 5.9 cents per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

-
- (d) the Shares were issued to sophisticated and professional investor clients of Patersons Securities Limited, each of whom is not a related party of the Company; and
 - (e) the funds raised from the issue are intended to accelerate drilling and evaluation programs to test the strike extent of the high grade gold mineralisation at Break of Day and for further drill testing of the Mt Eelya copper-gold massive sulphide discovery and other high priority targets at the Cue Project and also for additional working capital purposes.

The Board recommends Shareholders vote in favour of this resolution.

5. RESOLUTION 3: ISSUE OF SHORTFALL SHARES UNDER SHARE PURCHASE PLAN TO UNDERWRITERS

5.1 General

As announced to ASX on 4 July 2016, the Company intends to raise circa \$1,250,000 through the offer of Shares to its eligible Shareholders under a Share Purchase Plan (**SPP**).

The issue price of Shares under the SPP will be 5.9 cents, being a 15.7% discount to the volume weighted average price of the Company's Shares traded on ASX during the 5 trading days immediately prior to the announcement date of the SPP.

The Company has entered into an underwriting agreement pursuant to which Patersons Securities Limited and/or its sub-underwriters (**Underwriters**) have collectively agreed to underwrite the subscription of up to 21,186,441 Shares under the SPP up to a value of \$1,250,000.

None of the Underwriters are related parties of the Company for the purpose of ASX Listing Rule 10.11.

A summary of ASX Listing Rule 7.1 is set out in Section 3.2 above.

The effect of Resolution 3 will be to allow the Company to issue the shortfall Shares under the SPP during the period of 3 months after the Meeting (or a longer period if allowed by ASX), without using the Company's annual 15% placement capacity.

5.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of shortfall Shares under the SPP:

- (a) the maximum number of Shares to be issued is 21,186,441 Shares;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be 5.9 cents per Share;
- (d) the Shares will be issued to the Underwriters, none of whom are related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the issue to fund further drilling and evaluation programs to test the strike extent of the high grade gold mineralisation at Break of Day and further drill testing of the Mt Eelya copper-gold massive sulphide discovery and other high priority targets at the Cue Project and also for additional working capital purposes.

The Directors recommend Shareholders vote in favor of Resolution 3.

SCHEDULE 1 DEFINITIONS

In this Notice and Explanatory Statement:

ASX	means ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires.
Board	means the board of Directors.
Company	means Musgrave Minerals Limited ABN 12 143 890 671.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended.
Director	means a director of the Company.
Explanatory Statement	means this explanatory statement.
Listing Rule	means the listing rules of the ASX.
Meeting or General Meeting	means the meeting convened by this Notice (as adjourned from time to time).
Notice	means this notice of meeting.
Proxy Form	means the proxy form attached to this Notice.
Resolution	means a resolution set out in the Notice.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of a Share.
WST	means Western Standard Time.

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

XX



Vote online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 138657

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



 **For your vote to be effective it must be received by 10.00am (WST) Saturday, 13 August 2016**

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.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

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.

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 General Meeting of Musgrave Minerals Limited to be held at Grant Thornton, Level 2, 10 Kings Park Road, West Perth, Western Australia on Monday, 15 August 2016 at 10.00am (WST) and at any adjournment or postponement of that meeting.

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
Resolution 1 Ratification of prior issue of Shares to Silver Lake Resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Ratification of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Issue of Shortfall Shares under Share Purchase Plan to Underwriters	<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.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / /