
Musgrave Minerals Limited
ABN 12 143 890 671

NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM
PROXY FORM

Date of Meeting

Thursday 19 November 2020

Time of Meeting

9.00am (WST)

Place of Meeting

Ground Floor,
5 Ord Street, West Perth,
Western Australia 6005

**Your Annual Report is available online, simply visit:
www.musgraveminerals.com.au**

In light of the current global outbreak of the Coronavirus (COVID 19) and the Australian Government's response in restricting gatherings and implementing social distancing requirements and the State Government's border restrictions, the Company has decided that special arrangements will apply to the Meeting. In the interests of public health and safety, the Company has determined not to allow Shareholders to physically attend the Meeting. The Company will publish a Virtual Meeting Guide on the ASX and the Company's website in the week prior to the Annual General Meeting, outlining how Shareholders will be able to participate in the Meeting via the internet.

Please read this Notice of Annual General Meeting and Explanatory Memorandum carefully.

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of Musgrave Minerals Limited will be held at Ground Floor, 5 Ord Street, West Perth, Western Australia on Thursday 19 November 2020 at 9.00am (WST), for the purpose of transacting the business referred to in this Notice of Annual General Meeting (**Notice**).

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

Shareholders are urged to vote by attending the Meeting virtually (refer to the Virtual Meeting Guide which will be published on the ASX and Company's website in the week prior to the Annual General Meeting) or by returning a completed Proxy Form. Instructions on how to complete a Proxy Form are set out in the Explanatory Memorandum.

Proxy Forms must be received by no later than 9.00am (WST) on 17 November 2020.

AGENDA

ANNUAL REPORT

To receive and consider the financial statements of the Company and the reports of the Directors and Auditors for the financial year ended 30 June 2020.

RESOLUTION 1 – REMUNERATION REPORT (NON-BINDING)

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

"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, Shareholders adopt the Remuneration Report as set out in the Annual Report for the year ended 30 June 2020."

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

(b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy:

(i) does not specify the way the proxy is to vote on this Resolution; and

(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MRS KELLY ROSS

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

"That, Mrs Kelly Ross, being a Director of the Company who retires in accordance with rule 6.1 of the Company's Constitution, be re-elected as a Director of the Company."

RESOLUTION 3 – APPROVAL OF 10% PLACEMENT FACILITY

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

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

Voting Exclusion:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or will obtain a material benefit as a result of, the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities), or any associates of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

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

RESOLUTION 4 – APPROVAL OF ESOP

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

"That, for the purposes of ASX Listing Rule 7.2 Exception 13(b) and for all other purposes, the Company's ESOP, and the issue of securities from time to time under the ESOP, on the terms and conditions set out in the Explanatory Memorandum, be approved."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who is eligible to participate in the ESOP, and any associates of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

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

Restriction on proxy voting by Restricted Voters: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

RESOLUTION 5 – INCREASE TO DIRECTOR FEE POOL

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

"That, for the purposes of ASX Listing Rule 10.17 and Rule 39.1 of the Company's Constitution and for all other purposes, the total aggregate maximum annual remuneration payable to Directors by way of remuneration for their services as directors of the Company be increased by \$150,000 from \$250,000 to \$400,000 per annum, in accordance with the terms and conditions set out in the Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director or any of their associates. However, this does not apply to a vote cast in favour of the Resolution by:

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

Restriction on proxy voting by Restricted Voters: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel or a Director of the Company; or
 - (ii) a Closely Related Party of such a member; and
 - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (c) the proxy is the Chair of the Meeting; and
 - (d) the appointment expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

By Order of the Board.



PATRICIA FARR
Company Secretary
8 October 2020

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Ground Floor, 5 Ord Street, West Perth, Western Australia on 19 November 2020 at 9.00am (WST). The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding how to vote on the Resolutions set out in the Notice.

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice, and includes the enclosed Proxy Form.

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 Memorandum 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. **In light of the current global outbreak of the Coronavirus (COVID 19) and the Australian Government's response in restricting gatherings and implementing social distancing requirements and the State Government's border restrictions, the Company has decided that special arrangements will apply to the Meeting. In the interests of public health and safety, the Company has determined not to allow Shareholders to physically attend the Meeting. Please refer to the Virtual Meeting Guide which will be published on the ASX and Company's website in the week prior to the Annual General Meeting as to how Shareholders will be able to participate in the Meeting via the internet.**

2.2 Proxies

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 9.00am WST on 17 November 2020. 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 Annual General Meeting are those who are registered holders of Shares at 4.00pm (WST) on 17 November 2020.

3. ANNUAL REPORT

The first item of the Notice of Meeting deals with the presentation of the 2020 Annual Report, including the Financial Report for the year ended 30 June 2020 together with the Directors' Declaration and Report in relation to that financial year and the Auditors' Report on the Company's financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered. The reports are available on the Company's website at www.musgraveminerals.com.au

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company and ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report.

The Chairman will also provide Shareholders a reasonable opportunity to ask the Company's auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

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

- the content of the Auditor's Report to be considered at the Meeting; and
 - the conduct of the audit of the annual financial report to be considered at the Meeting,
- may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. RESOLUTION 1 – REMUNERATION REPORT

In accordance with section 250R(2) of the Corporations Act the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's 2020 Annual Report. Section 250R(3) of the Corporations Act expressly provides that the vote is advisory only and is not binding on the Directors or the Company. The Remuneration Report is set out in the Company's 2020 Annual Report, a copy of which is available on the Company's website (www.musgraveminerals.com.au).

The Remuneration Report sets out the Company's remuneration arrangements for Directors and senior management of the Company. The Remuneration Report is part of the directors' report contained in the Annual Financial Report of the Company for the financial year ending 2020.

A reasonable opportunity will be provided at this Meeting for discussion of the Remuneration Report at the Annual General Meeting.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution that a further meeting is held at which all of the Company's Directors (other than the Managing Director) must go up for re-election (Spill Resolution).

At the Company's previous annual general meeting, the votes cast against the remuneration report considered at the annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

5. RESOLUTION 2 - RE-ELECTION OF DIRECTOR

Resolution 2 seeks approval for the re-election of Mrs Kelly Ross as a Director of the Company with effect from the end of the Meeting.

Mrs Ross is required to retire pursuant to the rotation of Directors' rule in clause 6.1 of the Company's Constitution. That clause provides that at each Annual General Meeting one-third of the Directors (other than the Managing Director), or, if their number is not a multiple of three, then the nearest to but not more than one-third of the Directors must retire from office.

Mrs Ross retires from office in accordance with this requirement and, being eligible, has offered herself for re-election as a Director of the Company.

Details of this candidate are as follows:

Mrs Kelly Ross

BBus, CPA, GradDipCSP, ACG (CS, CGP)

Non-Executive Director

Age 58

Mrs Ross is a qualified accountant holding a Bachelor of Business (Accounting) and has the designation CPA from the Australian Society of Certified Practising Accountants. Mrs Ross is a Chartered Secretary with over 25 years' experience in accounting and administration in the mining industry.

Mrs Ross was a senior accountant at Resolute Ltd from 1987 to 2000 during which time Resolute became a gold producer in Ghana, Tanzania and at several mines in Western Australia. Mrs Ross was the Company Secretary of Independence Group NL (IGO) for 10 years from 2001 to 2011. IGO listed on the ASX in 2002 and commenced mining at the Long Nickel Mine during that year. Mrs Ross was a Director of IGO for 12 years from 2002 to 2014. Mrs Ross retired from the Board of IGO on 24 December 2014.

Mrs Ross was appointed a Director of Musgrave Minerals in 26 May 2010, is the Chairman of the Audit Committee.

Board recommendation

The Directors unanimously support the re-election of Mrs Ross as a Director of the Company (with Mrs Ross abstaining).

The Chair intends to vote undirected proxies in favour of Resolution 2.

6. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT FACILITY

General

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

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% (**10% Placement Facility**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

This Resolution seeks shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without shareholder approval.

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

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities and will remain subject to the 15% limit on issuing Equity Securities without shareholder approval set out in Listing Rule 7.1.

Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the period of the approval, a number of Equity Securities calculated in accordance with the following formula:

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

Where:

'A' is the number of Shares on issue 12 months immediately preceding the date of issue or agreement ("relevant period"):

- (A) plus the number of Shares issued in the 12 months under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- (B) plus the number of Shares issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - (1) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (2) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (C) plus the number of Shares issued in the relevant period under an agreement to issue Shares within Listing Rule 7.2 exception 16 where:
 - (1) the agreement was entered into before the commencement of the relevant period; or
 - (2) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (D) plus the number of any other Shares issued in the relevant period with approval under Listing Rule 7.1 or Listing Rule 7.4;
- (E) less the number of Shares cancelled in the relevant period.

'D' is 10%

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

Note that 'A' has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

7.2 Technical Information required by ASX Listing Rule 7.3A

(a) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

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

(10% Placement Period).

(b) Minimum Issue Price

Any Equity Securities issued under Listing Rule 7.1A must be in an existing class of quoted Equity Securities and issued for a cash consideration per security that is not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(c) Use of funds raised

The Company intends to use funds raised from the issue of any Equity Securities issued under Listing Rule 7.1A towards the ongoing costs associated with the exploration of its existing projects and to investigate additional acquisitions to complement these projects. Funds raised will be used to meet cash payments in connection with these projects or any additional acquisitions, while also being used to fund subsequent exploration activities associated with any new acquisitions.

(d) Statement of risk of economic and voting dilution

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

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

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (iii) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (iv) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

*Variable 'A' in Listing Rule 7.1A2		Issue Price		
		\$0.2575 50% decrease in Issue Price	\$0.515 Issue Price	\$1.03 100% increase in Issue Price
Current Variable A 474,792,285 Shares	10% voting dilution	47,479,228 Shares	47,479,228 Shares	47,479,228 Shares
	Funds raised	\$12,207,876	\$24,415,752	\$48,831,504
50% increase in current Variable A 712,188,427 Shares	10% voting dilution	71,218,842 Shares	71,218,842 Shares	71,218,842 Shares
	Funds raised	\$18,338,851	\$36,677,703	\$73,355,407
100% increase in current Variable A 949,584,570 Shares	10% voting dilution	94,958,457 Shares	94,958,457 Shares	94,958,457 Shares
	Funds raised	\$24,451,802	\$48,903,605	\$97,807,210

*The number of Shares on issue (variable 'A' in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro rata rights issue) or that are issued with Shareholder approval under Listing Rule 7.1.

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) No Options are exercised into Shares before the date of the issue of the Equity Securities.
 - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
 - (vii) The issue price is \$0.515, being the last closing price of the Shares on ASX as at 7 October 2020.
- (e) Allocation Policy for issues under Listing Rule 7.1A

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

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

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

- (f) The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 21 November 2019 (Previous Approval). The Company has not issued any Shares or Options pursuant to the Previous Approval.
- (g) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Resolution 3 is a special resolution.

Board recommendation

The Directors recommend that shareholders vote in favour of Resolution 3.

7. RESOLUTION 4 – APPROVAL OF EMPLOYEE SHARE OPTION PLAN

The Company has an existing employee share option plan which was adopted by the Board and approved by Shareholders on 21 November 2019. The Board has now adopted a new employee share option plan (**ESOP**) incorporating some minor revisions to reflect regulatory changes and contemporary employee incentive practices since the existing employee share option plan was approved. Resolution 4 seeks approval of the ESOP and the issues of securities under the ESOP.

ASX Listing Rule 7.1 prohibits an entity from issuing or agreeing to issue Equity Securities in any 12 month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

However ASX Listing Rule 7.2, exception 13(b) provides that ASX Listing Rule 7.1 does not apply in relation to, amongst other things, an issue under an employee incentive plan if within 3 years before the date of the issue the holders of the entity's ordinary securities approve the issue of securities under the plan as an exception to Listing Rule 7.1.

The ASX Listing Rules define "employee incentive plan" as:

- (a) a plan for the issue or acquisition of Equity Securities in an entity to be held by, or for the benefit of, participating employees or non-executive directors of the entity or a related entity or their associates; or
- (b) a plan which, in ASX's opinion, is an employee incentive plan.

Under the ASX Listing Rules, Equity Securities include options over issued or unissued shares in an entity. The proposed ESOP is therefore an employee incentive plan for the purposes of the ASX Listing Rules.

If this Resolution is passed, the Company will be able to issue Equity Securities under the ESOP during the next 3 years without using the Company's 15% annual placement capacity under Listing Rule 7.1. This would assist the Company should it require additional fundraising flexibility.

If this Resolution is not passed, the Company will not be able to issue Equity Securities under the ESOP during the next 3 years without using the Company's 15% annual placement capacity under Listing Rule 7.1. Any Equity Securities issued under the ESOP will reduce the Company's 15% annual placement capacity under Listing Rule 7.1.

The following information is provided for the purposes of Listing Rule 7.2 Exception 13(b):

- (a) a summary of the terms of the ESOP is outlined in Schedule 1 and a full copy of the ESOP is available for inspection at the Company's registered office until the date of the Annual General Meeting;
- (b) The Company has issued 4,960,000 Options under the Company's existing employee share option plan since the date of its approval in November 2019. No shares have been issued on exercise of options issued under the Company's existing employee share option plan;
- (c) the maximum number of Options proposed to be issued under the ESOP within the 3 year period after the date of the passing of this Resolution is 24,000,000 Options. The maximum number is not intended to be a prediction of the actual number of Options to be granted under the ESOP, but simply a ceiling for the purposes of Listing Rule 7.2 exception 13(b); and
- (d) A voting exclusion statement is included in the Notice.

Resolution 4 is an ordinary resolution.

Board recommendation

Given the Directors may participate in the ESOP, the Directors make no recommendation in respect of Resolution 4.

The Chair intends to vote undirected proxies in favour of Resolution 4.

8. RESOLUTION 5 – INCREASE TO DIRECTOR FEE POOL

Pursuant to Rule 39.1(a) of the Company's Constitution and ASX Listing Rule 10.17, the maximum aggregate amount that the Company may pay Directors by way of remuneration for their services as directors of the Company in any year may not exceed the sum from time to time approved by shareholders in general meeting (Fee Pool).

The current Fee Pool for Directors of \$250,000 per annum was set by the Company in 2011. This Resolution seeks Shareholder approval to increase the maximum aggregate sum per annum to be paid to the Directors by \$150,000 to \$400,000.

The Company pays Directors fees to the Directors out of this Fee Pool. Details of the amounts paid to each Director for the year ended 30 June 2020 are set out in the 2020 Annual Report. The fees paid are set to reflect the appropriate level of remuneration required to attract and retain directors with the necessary skills and experience for the Board.

The Directors are seeking Shareholder approval to increase the Fee Pool for the following reasons:

- Rule 3.1 of the Company's Constitution provides that the number of directors must not be less than three or more than 9. The increase in the Fee Pool will provide sufficient headroom to

accommodate the potential appointment of additional directors with the requisite skills and experience;

- The increase will ensure that the Company maintains the ability to remunerate Directors remuneration at levels commensurate with market rates and as necessary to attract and retain directors of the highest calibre.

The level of Directors' remuneration is reviewed annually to ensure alignment with the market. The Directors are satisfied that the proposed Fee Pool will be within the average bands applying to companies within the Company's industry that are of a similar size, growth and risk profile and that the propose increase is appropriate for the reasons set out above. The Fee Pool has not increased since the Company listed on the ASX in 2011.

In the preceding 3 years, the following securities have been issued to non-executive Directors with Shareholder approval under Listing Rules 10.11 or 10.14:

Issue Date	Director	Number	Details
30/11/2017	Graham Ascough	750,000	\$0.0974 unlisted options expiry on or before 30/11/2020
30/11/2017	Kelly Ross	500,000	\$0.0974 unlisted options expiry on or before 30/11/2020
30/11/2017	John Percival	500,000	\$0.0974 unlisted options expiry on or before 30/11/2020
21/11/2018	Graham Ascough	1,500,000	\$0.1275 unlisted options expiry on or before 16/11/2021
21/11/2018	Kelly Ross	1,000,000	\$0.1275 unlisted options expiry on or before 16/11/2021
21/11/2018	John Percival	1,000,000	\$0.1275 unlisted options expiry on or before 16/11/2021
21/08/2020	Graham Ascough	1,500,000	\$0.932 unlisted options expiry on or before 20/08/2023
21/08/2020	Kelly Ross	1,000,000	\$0.932 unlisted options expiry on or before 20/08/2023
21/08/2020	John Percival	1,000,000	\$0.932 unlisted options expiry on or before 20/08/2023

A voting exclusion statement is included in the Notice.

Given the interests of Directors in this item, the Board makes no recommendation in relation to Resolution 5.

The Chair intends to vote undirected proxies in favour of Resolution 5.

GLOSSARY

In this Notice and Explanatory Memorandum:

\$	means Australian dollars, unless otherwise stated.
Annual General Meeting or Meeting or AGM	means the Annual General Meeting of Shareholders or any meeting adjourned thereof, convened by the Notice.
ASX	means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange operated by ASX Limited, as the context requires.
ASX Listing Rules or Listing Rules	means the listing rules of the ASX.
Board	means the board of Directors.
Business Day	means every day other than a Saturday, Sunday, New Years Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.
Company	means Musgrave Minerals Limited (ACN 143 890 671).
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended.
Director	means a director of the Company.
ESOP	has the meaning given in section 7 of the Explanatory Memorandum.
Explanatory Memorandum	means this explanatory Memorandum.
Notice or Notice of Meeting	means this notice of meeting.
Option	means an option to acquire a share.
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.
VWAP	means “volume weighted average market price” as defined in the Listing Rules
WST	means Western Standard Time.

SCHEDULE 1 – SUMMARY OF TERMS OF ESOP

The Board has adopted the ESOP to allow eligible participants to be granted Options to acquire Shares in the Company. The principal terms of the Option Plan are summarised below.

- (a) **Eligibility and Grant of Options:** The Board may grant Options to any Director, full or part time employee, or casual employee, consultant or contractor who falls within ASIC Class Order 14/1000, of the Company or an associated body corporate (**Eligible Participant**). The Board may also offer Options to a prospective Eligible Participant provided the Offer can only be accepted if they become an Eligible Participant. Options may be granted by the Board at any time.
- (b) **Consideration:** Each Option granted under the ESOP will be granted for nil or no more than nominal cash consideration.
- (c) **Conversion:** Each Option is exercisable into one Share in the Company ranking equally in all respects with the existing issued Shares in the Company.
- (d) **Exercise Price and Expiry Date:** The exercise price and expiry date for Options granted under the ESOP will be determined by the Board prior to the grant of the Options.
- (e) **Cashless Exercise Facility:** The Board may decide in its absolute discretion that an Eligible Participant may make use of a “cashless exercise facility” whereby the Eligible Participant will not be required to provide payment of the Exercise Price of Options, but that on exercise of the Options, the Eligible Participant may elect that the Company instead allot and issue the number of Shares that are equal in value to the difference between the then Share price and the Exercise Price otherwise payable in relation to the Options (with the number of Shares rounded down).
- (f) **Exercise Restrictions:** The Options granted under the ESOP may be subject to conditions on exercise as may be fixed by the Directors prior to grant of the Options (**Vesting Conditions**). Any restrictions imposed by the Directors must be set out in the offer for the Options.
- (g) **Lapsing of Options:** An unexercised Option will lapse:
 - (i) on its Expiry Date;
 - (ii) if any Vesting Condition is unable to be met and is not waived, as determined by the Board; or
 - (iii) subject to the Board’s discretion, where the Eligible Participant ceases to be an Eligible Participant.
- (h) **Disposal of Options:** Options will not be transferable except to the extent the ESOP or any offer provides otherwise.
- (i) **Quotation of Options:** Options will not be quoted on the ASX, except to the extent provided for by the ESOP or unless an offer provides otherwise.
- (j) **Trigger Events:** Upon certain trigger events, being a change in control of the Company (including by takeover or entry into a scheme of arrangement), the Board may determine that any Option which has not at that time become exercisable or lapsed, becomes exercisable.
- (k) **Participation in Rights Issues and Bonus Issues:** There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.
- (l) **Reorganisation:** The terms upon which Options will be granted will not prevent the Options being re-organised as required by the Listing Rules on the re-organisation of the capital of the Company.

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- (m) **Limitations on Offers:** The Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Options offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under an employee incentive scheme covered by ASIC Class Order 14/1000 or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.



MGV

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

Need assistance?



Phone:

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



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:00 AM (AWST) on Tuesday, 17 November 2020.**

Proxy Form

How to Vote on Items of Business

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

APPOINTMENT OF PROXY

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

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

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

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

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

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

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

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Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

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

By Fax:

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



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

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

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



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

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

the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Musgrave Minerals Limited to be held at Ground Floor, 5 Ord Street, West Perth, WA 6005 on Thursday, 19 November 2020 at 9:00 AM (AWST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 1, 4 and 5 (except where I/we have indicated a different voting intention in step 2) even though Item 1, 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Item 1, 4 and 5 by marking the appropriate box in step 2.

Step 2 Items of Business

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

	For	Against	Abstain
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Mrs Kelly Ross	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of ESOP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Increase to Director Fee Pool	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

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

Update your communication details (Optional)

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

