



1 November 2021

Ramelius makes Improved, Unconditional, Recommended Takeover Offer for Apollo Consolidated and secures a 19.9% shareholding

Highlights

- Ramelius Resources Limited (**Ramelius**) makes a significantly improved off-market takeover offer to acquire Apollo Consolidated Limited (**Apollo**)
- Apollo Shareholders to receive an implied offer price of \$0.62¹ per share (**Offer Price**), comprising \$0.34 in cash and 0.1778 Ramelius shares per Apollo share (**Revised Offer**)
- The Revised Offer is unconditional and unanimously recommended by the Apollo Directors, in the absence of a superior offer
- The Revised Offer will open today and is capable of acceptance by Apollo Shareholders from today
- Ramelius has entered into binding agreements with Apollo's Board and a substantial shareholder to immediately accept into the Revised Offer in relation to shares which they own or control, which will result in Ramelius having acquired a 19.9% interest in Apollo
- The Offer Price represents a substantial 10.7% premium to the Gold Road Resources Ltd (**Gold Road**) offer of \$0.56 per share announced on 21 October 2021 (**Gold Road Offer**)
- The Offer Price also represents significant premiums to Apollo's undisturbed trading prices up to and including 14 October 2021, the last trading day for Apollo shares prior to Ramelius' initial takeover offer², including:
 - 40.5% to Apollo's 3-day VWAP of \$0.441;
 - 53.2% to Apollo's 1-month VWAP of \$0.405;
 - 68.5% to Apollo's 3-month VWAP of \$0.368; and
 - 91.5% to Apollo's 6-month VWAP of \$0.324.

1 November 2021

ISSUED CAPITAL

Ordinary Shares: 815M

DIRECTORS

NON-EXECUTIVE CHAIR:

Bob Vassie

MANAGING DIRECTOR:

Mark Zeptner

NON-EXECUTIVE DIRECTORS:

Michael Bohm

David Southam

Natalia Streltsova

COMPANY SECRETARY:

Richard Jones

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RAMELIUS RESOURCES LIMITED

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¹ Based on the Ramelius 3 day VWAP up to and including 29 October 2021 of \$1.574.

² The last trading day prior to Ramelius' initial takeover offer announced on 18 October 2021.

Increased Offer Price

Under the terms of the Revised Offer, Apollo Shareholders will receive cash consideration of \$0.34 and 0.1778 Ramelius shares for each Apollo share held (**Offer Consideration**). The Offer Consideration values each Apollo share at \$0.62 (**Offer Price**), based on the 3-day volume weighted average price (**VWAP**) of Ramelius shares up to and including 29 October 2021 of \$1.574, and implies a total equity value for Apollo of approximately \$181 million³.

The premiums represented by the Offer Price against Apollo's undisturbed historical VWAPs up to and including 14 October 2021⁴ and the Gold Road Offer price are shown in Figure 1 below.

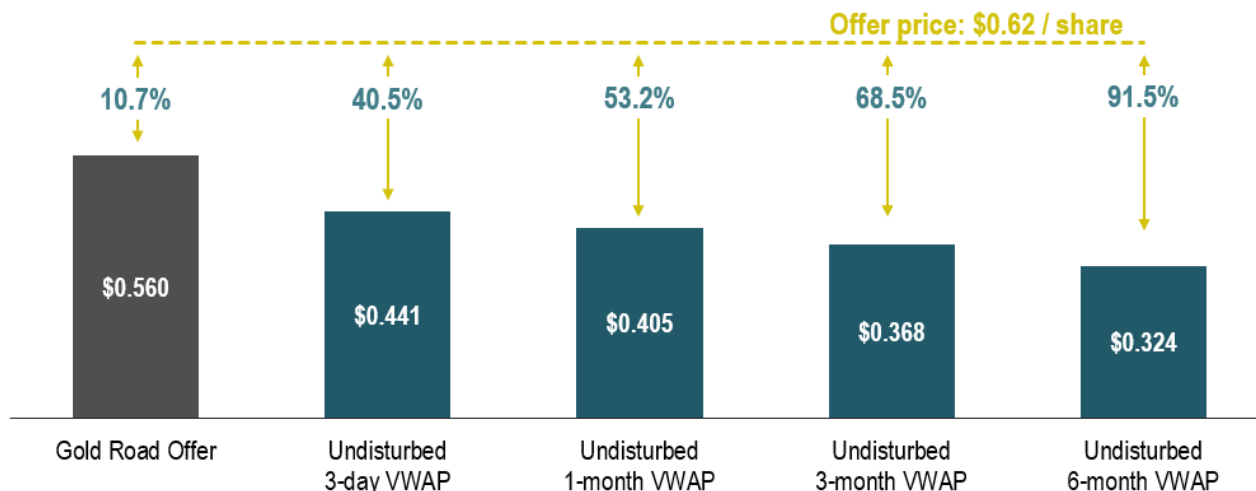


Figure 1: Offer Premiums for Apollo Shareholders

The cash component of the Offer Consideration, representing a total of \$99 million, will be funded from Ramelius' existing cash reserves of \$274 million (including gold bullion) as at 30 September 2021.

Ramelius' Offer is now Unconditional and Will Open Today

Following today's despatch of Ramelius' Bidder's Statement to Apollo Shareholders, the Revised Offer will open and be immediately capable of acceptance. The Revised Offer is unconditional. Neither Gold Road's shareholding in Apollo, nor the Gold Road Offer, can prevent you from being paid for your Apollo Shares within five business days from receipt of your acceptance form, should you accept the Offer.

The parties have agreed to make consequential amendments to the Bid Implementation Agreement announced on 18 October 2021 to reflect the removal of all conditions of the original Ramelius offer. A copy of the updated Bid Implementation Agreement will be released to ASX shortly.

Apollo Board Recommendation

Apollo's Directors unanimously recommend that Apollo Shareholders accept Ramelius' Revised Offer, in the absence of a superior offer.

Acceptance of Revised Offer by Key Apollo Shareholders

Ramelius has secured binding agreements to acquire a 19.9% shareholding in Apollo from Apollo's Board and Apollo's second largest shareholder.

³ Based on the undiluted Apollo shares on issue of 291.6 million

⁴ The last trading day prior to Ramelius' initial takeover offer announced on 18 October 2021.

Apollo's Directors have each previously entered into binding agreements to accept the Offer in respect of all Apollo shares they own or control, representing 11.7% of Apollo's issued shares, and have agreed to vary those existing agreements so that they will now immediately accept into the Revised Offer.

Additionally, Ramelius has entered into a binding agreement with a major Apollo shareholder to immediately accept into the Revised Offer in relation to an additional 8.2% of Apollo's issued shares which that shareholder owns or controls. Combined with the commitments from the Apollo Board, this will result in Ramelius having acquired a 19.9% interest in Apollo.

Certain management shareholders representing approximately 2% of Apollo shares have been fully released from their obligations with respect to earlier pre-bid agreements.

Key Benefits of the Revised Offer for Apollo Shareholders

The benefits of the Revised Offer to Apollo Shareholders include:

1. Highly attractive premiums

- The Offer Price represents a highly attractive premium to recent trading in Apollo shares, as set out above.
- The Offer Price is also at a substantial premium of 10.7% to the Gold Road Offer

2. Certain cash consideration and optionality in relation to scrip consideration

- The Offer Consideration includes a material cash component of \$0.34 per Apollo share, providing Apollo Shareholders with the certainty of cash for approximately 55% of the total Offer Price.
- In relation to the scrip component of the Offer Consideration, Ramelius encourages Apollo Shareholders to retain the Ramelius shares they receive. However, should Apollo Shareholders wish to sell their Ramelius shares, they are significantly more liquid than Apollo shares, providing enhanced investment flexibility in relation to this decision.
- As the Offer is unconditional, you will receive cash and Ramelius shares within five business days of accepting the Offer.

3. Significant reduction in development risk

- As shareholders in a single asset company, Apollo Shareholders are currently subject to significant uncertainty and risks arising from the potential development of the Lake Rebecca Project (**Lake Rebecca** or the **Project**).
- Risks currently faced by Apollo Shareholders include labour shortages and inflationary pressures being experienced in the WA labour market, and the associated challenges of establishing a team with the required skills and experience to develop Lake Rebecca into an operating mine.
- In contrast, Ramelius has two existing operations in WA and an established workforce with strong operational and development experience, putting Ramelius in a relatively stronger position to develop the Project and maximise its value for the benefit of shareholders.
- Accepting the Revised Offer will allow Apollo Shareholders to significantly reduce their exposure to the risks associated with potential development of the Project.

4. Avoidance of potential future equity dilution

- Given the Project's current early stage of development, any decision by Apollo to fund the development of the Project is likely to lead to future equity dilution of Apollo's existing shareholders.
- In contrast, Ramelius is in a strong financial position and, with two existing cash generating operations, has additional borrowing capacity to provide alternative funding sources to develop Lake Rebecca without dilution of shareholders.
- Accepting the Revised Offer will allow Apollo Shareholders to avoid the likelihood of equity dilution associated with a future development decision on the Project.

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5. Opportunity to become a shareholder in Ramelius

- Apollo Shareholders who decide to retain Ramelius shares that are part of the Offer Consideration will become shareholders in a financially strong, dividend paying, ASX200 gold producer with two existing operations in WA, a proven management team and a track record of growth and shareholder returns.
- The addition of a high-quality development asset such as Lake Rebecca is consistent with Ramelius' growth strategy and highly complementary to Ramelius' existing portfolio of operational assets.
- Ramelius has a strong recent track record of creating shareholder value through corporate and asset acquisitions. Recent successful acquisitions include Spectrum Metals, Explaurum and the Edna May mine acquired from Evolution Mining in 2017.
- Shareholders of Spectrum Metals and Explaurum who have held onto their Ramelius shares (which formed part of the acquisition consideration in each case) have experienced a material gain in the value of those shares. Those shareholders have also had exposure to Ramelius' dividend policy and have received between 4.5 and 5.5 cents per share in fully franked dividends.

6. Rollover relief in relation to scrip component of Offer Consideration

- Provided Ramelius acquires at least 80% of Apollo's ordinary shares under the Revised Offer, capital gains tax rollover relief will be available to Apollo Shareholders on the portion of the Offer Consideration paid in Ramelius shares.

Ramelius' Revised Offer Represents a Materially Superior Offer to Gold Road's

The price implied by Ramelius' Revised Offer of \$0.62 per Apollo share is 10.7% higher than the Gold Road Offer of \$0.56 per share. Ramelius' Revised Offer is unconditional and will be open for acceptance by Apollo Shareholders from today. In contrast, Gold Road's offer is not currently open, is not recommended by the Apollo Board and is at a substantially lower price than is being offered by Ramelius.

Ramelius has successfully undertaken the acquisitions of Explaurum Limited and Spectrum Metals Limited in recent years (each via takeover offer), providing a mix of cash and shares to target shareholders in each case. As demonstrated in Figure 2, the returns realised by target shareholders who received Ramelius shares and have retained those shares, in each case, have been outstanding, with all Ramelius shareholders benefiting from the value creation achieved by the company since undertaking those acquisitions.



Figure 2: Ramelius recent acquisitions⁵ and share price performance

⁵ Explaurum takeover offer opened in September 2018 and closed in February 2019, Spectrum Metals takeover offer opened in March 2020 and closed in May 2020.

Timetable and Next Steps

Ramelius' Revised Offer will open today, with despatch of the Bidder's Statement to occur no later than close of business Wednesday, 3 November 2021.

Further details regarding the Revised Offer will be contained in Ramelius' Bidder's Statement and Apollo Target's Statement. The Bidder's Statement and Target's Statement will set out important information, including how to accept the Revised Offer, information about Ramelius and the key reasons as to why Apollo Shareholders should accept the Revised Offer.

A toll-free information line has been established for the purposes of the Revised Offer and is now in operation. Shareholders can call **1300 396 032** or **+61 3 9415 4100** outside of Australia.

Advisers

Ramelius has engaged Azure Capital as financial advisor and Allion Partners as legal advisor in relation to the transaction.

This ASX announcement was authorised for release by the Board of Directors of Ramelius Resources Limited.

Ramelius Contacts

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About Ramelius Resources Limited

Ramelius Resources Limited (ASX:RMS) is a Western Australian gold producer that has been listed on the ASX since 2003 and in production since 2006.

Ramelius owns and operates the Mt Magnet, Edna May, Vivien, Marda, Tampia and Penny gold mines, all of which are located in Western Australia. Ore from the high-grade Vivien underground mine, located near Leinster, is hauled to the Mt Magnet processing plant where it is blended with ore from both underground and open pit sources at Mt Magnet. The Penny project is currently under development with first ore in late FY22.

The Edna May operation is currently processing high grade underground ore, low grade stockpiles, as well as ore from the satellite Marda open pit mines. Ore feed from the Tampia open pit mine commenced in early FY22.

Ramelius reported excellent financial and operational performance for Financial Year 2021. The Company reported Net Profit after Tax of A\$127M, the seventh consecutive annual profit, with a fully franked dividend of A\$0.025 per share paid to eligible shareholders. As at 30 June 2021, Ramelius had A\$234M in cash and gold, with no debt.

The financial performance was achieved on the back of production of 272,109 ounces of gold at an AISC of A\$1,317/oz for the year. Further to this, Ramelius has forecast to produce 260,000 - 300,000 ounces of gold at an AISC of A\$1,425 - \$1,525/oz for the 2022 Financial Year.

Ramelius Resources Limited	Apollo Consolidated Limited
ISSUED CAPITAL Ordinary Shares: 815M	ISSUED CAPITAL Ordinary Shares: 292M
DIRECTORS NON-EXECUTIVE CHAIR: Bob Vassie MANAGING DIRECTOR: Mark Zeptner NON-EXECUTIVE DIRECTORS: Michael Bohm David Southam Natalia Streltsova	DIRECTORS NON-EXECUTIVE CHAIRMAN: Roger Steinepreis MANAGING DIRECTOR: Nick Castleden NON-EXECUTIVE DIRECTORS: Tony James Rob Gherghetta
COMPANY SECRETARY: Richard Jones	COMPANY SECRETARY: Alex Neuling
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