

ASX ANNOUNCEMENT

By e-lodgement

1 November 2021



Recommended, Unconditional \$0.62 Offer from Ramelius

Apollo Consolidated Limited (ASX: AOP) (**Apollo**, the **Company**) has received a copy of the Bidder's Statement for an improved off-market takeover bid from Ramelius Resources Limited (**Ramelius**) for all of the fully paid ordinary shares on issue in Apollo that Ramelius currently does not own (**Revised Offer**). This Bidder's Statement has been lodged with ASIC and ASX.

Summary of Revised Offer:

- 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
- The Revised Offer implies a total equity value for Apollo of approximately \$181 million
- The Revised Offer is unconditional and unanimously recommended by the Apollo Directors, in the absence of a superior offer
- The Apollo Board, plus a further substantial shareholder, have executed binding agreements to immediately accept into the Revised Offer in relation to shares which they own or control, which will result in Ramelius acquiring a 19.9% interest in Apollo
- All other Apollo shareholders retain full flexibility and are able to participate fully in any further offers from any party, sell their Apollo shares on-market or accept the Revised Offer
- The Revised Offer opens today and is capable of acceptance by Apollo shareholders from today
- Settlement of acceptances of the Revised Offer will be within 5 business days
- The Offer Price represents a substantial premium to the previous offer from Ramelius and the current offer from Gold Road Resources Limited (**Gold Road**), each of which valued Apollo at approximately \$0.56 per share
- The Offer Price also represents significant premiums to Apollo's undisturbed trading prices up to and including 14 October 2021, the last trading day prior to Ramelius' initial takeover offer²:
 - 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
- In addition to the attractive premiums the Revised Offer provides:
 - certain cash consideration and optionality in relation to the liquid scrip consideration;
 - significant reduction in development risk and avoidance of future equity dilution;
 - the opportunity to become a shareholder in Ramelius; and
 - Provided Ramelius acquires at least 80% of Apollo's ordinary shares under the Revised Offer, capital gains tax rollover relief on the portion of the Revised Offer paid in Ramelius shares.

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

Apollo Directors Recommendation and Acceptance of Revised Offer from Ramelius

Apollo's Board unanimously recommends that Apollo shareholders accept the Revised Offer from Ramelius, in the absence of a superior proposal. The Revised Offer from Ramelius will be open for at least one month so shareholders will have the opportunity to consider their position and monitor future developments before making a final decision.

As a pre-condition to making the Revised Offer, Ramelius required the Apollo Board to agree to accept into the Revised Offer immediately. Ramelius advised the Board that it would not make the Revised Offer without this support.

By agreeing to immediately accept into the Revised Offer, the members of the Apollo Board have created the opportunity for all Apollo shareholders to receive the Revised Offer of \$0.62 per Apollo share. In the absence of this action, it is possible that an offer above the existing offers would not have been made.

However, in agreeing to accept the Revised Offer so as to allow the Revised Offer to proceed, the members of the Apollo Board will be precluded from receiving the benefit of any superior offer from any party other than Ramelius. This is not the case for other Apollo shareholders who remain able to participate fully in any further offers from any party, sell their Apollo shares on market or accept the Revised Offer.

The Board understands that Ramelius has also entered into a pre-bid acceptance arrangement with another significant shareholder of Apollo such that Ramelius has now acquired a relevant interest of 19.99% in Apollo. Members of Apollo's management team who had previously entered into pre-bid acceptance agreements with Ramelius in respect of all Apollo shares they own or control (representing 2.1% of Apollo's issued shares) have been released from those agreements.

For the avoidance of doubt, the Revised Offer does not prevent a further competing offer from Gold Road or another party for all of Apollo's shares, and in the event that a further competing offer is received the Apollo Board would consider such offer carefully in due course and continue to act in the best interests of all shareholders.

Advisers

Apollo has engaged Deloitte Corporate Finance as financial adviser and Steinepreis Paganin as legal adviser to the transaction

Timetable and Next Steps

Your Board will continue to provide information to shareholders over the coming weeks in relation to relevant developments.

Further details regarding the Revised Offer will be contained in Ramelius' Bidder's Statement and Apollo's Target's Statement.

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

Apollo expects to dispatch its Target's Statement in response to the Revised Offer from Ramelius by 10 November 2021 and its Target's Statement in response to the Gold Road Offer by 19 November 2021.

A background to the Revised Offer is outlined in Appendix 1. Should you have any queries regarding the Revised Offer from Ramelius or the Gold Road Offer, please contact the Company using the details below.

This announcement has been authorised for release by Nick Castleden, Managing Director of Apollo Consolidated Limited.

-ENDS-

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Appendix 1.

Background to Takeover Offers

Over the past few years the Company has made excellent progress at its 100%-owned Lake Rebecca Gold Project in Western Australia, where pit-constrained Mineral Resource Estimates¹ were expanded to over 1.1M ounces of gold during the year end 30 June 2021, led by the flagship Rebecca deposit with 20.4 million tonnes at 1.3g/t Au for 840,000 ounces of gold. Importantly, infill and resource definition drilling has successfully defined 815,000 ounces at 1.3g/t Au in the Indicated category, setting the scene for potential +8-year mining and processing scenarios.

Progress over time has been aided by a strategic tenure purchase to allow greater operational flexibility, and the staged divestment of its legacy West African assets to fund the activity at Lake Rebecca while preserving the Company's capital structure.

The Company believes that Lake Rebecca is shaping up as one of the few genuinely new development opportunities in Western Australia's Eastern Goldfields, with the Mineral Resources providing a solid foundation to initiate evaluation of a standalone long-life gold operation.

The value created by the Company from its operations and transactions attracted considerable corporate interest in Apollo. Accordingly, your Board, with the support of our financial and legal advisers, provided due diligence materials to selected parties under a suitable confidentiality regime. The Board considered that each party selected had the capacity to potentially offer a compelling value proposition for shareholders which was to be expressed in the form of confidential Non-Binding Indicative Offers (**NBIO**).

Following negotiations with the parties that submitted NBIOs the Board agreed to a short period of exclusivity with Ramelius to complete confirmatory due diligence and negotiate transaction documents.

On 18 October 2021, Apollo announced that the Company had entered into a Bid Implementation Agreement (**BIA**) pursuant to which Ramelius would make an off-market takeover offer (**Original Ramelius Offer**) to acquire all of the issued and outstanding ordinary shares for \$0.34 cash and 0.1375 Ramelius shares for every Apollo share held, which at that time represented **\$0.56** per share, based on Ramelius' preceding 3-trading day Volume Weighted Average Price (**VWAP**).

The Apollo Board of Directors unanimously recommended that Apollo shareholders accept the Original Ramelius Offer, in the absence of a superior proposal. The Apollo Board and management entered into binding agreements to accept the Original Ramelius Offer, in the absence of a superior proposal, for all the shares they own or control within 7 days of the Original Ramelius Offer opening, representing 13.7% of Apollo's issued shares.

The Original Ramelius Offer which was expected to be open for acceptance on or about Friday 29 October 2021, was subject to certain conditions including (among others) a 90% minimum acceptance by Apollo shareholders.

On 21 October 2021, Gold Road announced and released a Bidder's Statement (the **Gold Road Bidder's Statement**) outlining an unconditional all cash takeover offer of \$0.56 cash per share (the **Gold Road Offer Consideration**) to acquire all of the issued and outstanding ordinary shares (including exercise of options during the offer period) of Apollo ("**Gold Road Offer**"). Gold Road also announced that it has a standing bid in the market for Apollo Shares at a price equal to the Gold Road Offer Consideration.

Gold Road also acquired a relevant interest in 19.9% of Apollo's issued shares for \$0.56 cash per share from several major shareholders in Apollo. Those shareholders entered into a call option

arrangement with Gold Road that has the effect of allowing those shareholders to participate in any higher offer from Gold Road, provided Gold Road achieves at least a 50.1% interest in Apollo.

On receipt of the Gold Road Offer the Board followed the protocols in the BIA with Ramelius including formally notifying Ramelius of the Gold Road Offer.

Ramelius has now made the Revised Offer of \$0.62 per Apollo share which has been accepted by Apollo Directors who also recommend Apollo shareholders accept the Revised Offer from Ramelius, in the absence of a superior proposal. The parties also agreed to make consequential amendments to the BIA to reflect the removal of all conditions of the Original Ramelius Offer.