Annual Report

2023

SPARTAN RESOURCES

Corporate Directory

Directors

Rowan Johnston	Non-Executive Chair
Simon Lawson	Managing Director and Chief Executive Officer
David Coyne	Non-Executive Director
John Hodder	Non-Executive Director
Hansjoerg Plaggemars	Non-Executive Director

Company Secretary
Russell Hardwick

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Stock Exchange Listing
The Company's securities are listed on the Australian Securities Exchange (ASX).
ASX Code: SPR

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Letter from the Chair of the Board

Dear Shareholders,

The 2023 financial year has been an extraordinary and transformational journey for Spartan Resources Limited (Spartan or the Company).

While the first half of the year was dominated by operational and financial challenges at our flagship Dalgaranga gold mine in Western Australia, we have since been able to engineer a remarkable turnaround for the Company – driven by a combination of ingenuity, tenacity and exploration success.

Our fearless approach to overcoming challenges and adversity has allowed us to restructure and reposition the business, make one of the most impressive new high-grade gold discoveries seen in recent times in the Western Australian gold sector, and put the Company on a trajectory to achieve sustained success into the future.

In addition to a new name and brand, I am confident that Spartan has more fundamentally transformed its perception and position in the ASX gold sector. This has ultimately been reflected in the significant increase in our market capitalisation in the second half which, at the time of writing this report, was over $300 million.

The initial phase of the Company's transformation commenced on 8 November 2022, when we made the difficult but necessary decision to suspend mining and processing operations at the Dalgaranga Gold Project (Dalgaranga) and transition the Dalgaranga processing plant to care and maintenance status. At the same time, we also placed the Company's shares into voluntary suspension.

These decisions were made in light of untenable increases in the operating cost base at Dalgaranga and a sub-optimal operating performance which was further impacted by industry-wide cost pressures including skills and labour shortages.

Whilst these decisions are never easy, and we are acutely aware of the impact on our operations team, I am proud that we moved quickly and decisively to protect our cash balance and the value of our assets – including the 100%- owned 2.5Mtpa Dalgaranga processing plant, a substantial resource base and the emerging high-grade Never Never gold discovery.

Following the suspension of operations, the Company worked rapidly to develop a new strategic operating plan for Dalgaranga based on the transformational Never Never discovery, which lies immediately adjacent to the processing plant on the edge of the main Gilbey's open pit.

In February 2023, the Company unveiled a new 18-month exploration and strategic plan aimed at establishing a solid 5-year mine plan, encompassing a blend of higher-grade ore sources with "baseload" ore feed capable of underpinning a sustainable production profile to facilitate a production re-start decision. The key elements of this plan – which we have named the '365' development strategy – were to target:

- A +300koz Ore Reserve at a grade exceeding 4.0g/t at Never Never;
- A +600koz Mineral Resource at a grade exceeding 5.0g/t at Never Never; and
- The development of a 5-year mine plan aimed at delivering gold production of 130-150koz per annum.

In parallel with the updated development strategy, the Company also secured a $50 million funding package, which included a $26.3 million equity raising, a $21.3 million investment from highly respected global resources private equity fund Tembo Capital, and a $2.5 million unsecured loan from existing major shareholder, Delphi. Delphi also contributed $5.8 million to the equity raising.

With these foundations in place, the Company forged ahead with an aggressive exploration campaign at Never Never that has well and truly cemented the deposit's exceptional credentials.

Over the course of the year, we have announced successive Resource updates at Never Never, with our latest update announced on 24 July totalling 721,200 ounces of contained gold at an exceptional head grade of 5.85 grams per tonne. This update – which successfully ticked off one of the three key pillars of our '365' development strategy – brings the total Mineral Resource base at Dalgaranga to 1.18 million ounces of contained gold and the company Resource base of 1.96 million ounces

In addition, our geology team has also undertaken a review of historical exploration data through the lens of the new style of mineralisation identified at Never Never. This review has yielded a number of exceptional new targets in the near-mine environment.

We recently launched a 25,000m multi-rig surface drilling campaign at Dalgaranga, targeting the continued rapid growth in high-grade gold resources within 2km of the processing plant. This drilling will aim to extend the existing Never Never Resource at depth, as well as targeting significant new "look-alike" targets along strike to the south.

Given the learnings we have gained from Never Never – and our growing understanding of the structure and controls on high-grade mineralisation within the district – we have very high hopes of Dalgaranga's potential to deliver additional high-grade discoveries.

In light of the significant evolution in our corporate strategy over the past year, we recently secured shareholder approval to change the Company's name to "Spartan Resources Limited". The Board believes the new name better reflects the Company's nature – disciplined, fearless and relentless – and provides an exciting opportunity to align the name with our new approach to taking the business forward. As part of the name change, the Company has also changed its ASX ticker code to "SPR".

On the corporate front, the multi-sourced $50 million funding package secured in February has provided the Company with a robust balance sheet, with sufficient capital to underpin our planned exploration activities, care and maintenance costs and working capital through to mid-2024. The Company ended the reporting period with cash and listed company investments totalling $35.3 million.

Mr John Hodder was appointed to the Board as a Non-Executive Director during the year as a nominee of Tembo Capital, bringing over 30 years' experience in the mining industry, funds management and private equity sectors. John has already made a valuable contribution to the Spartan Board since his appointment.

We also took the pragmatic step of reducing Non-Executive Directors fees from 1 June 2023, enabling the Company to maximise "money in the ground" as we continue to delineate and grow our Resource and Reserve base.

In closing, while the past financial year has delivered its fair share of hurdles, I have never been more excited about our future potential. Building on the Never Never discovery, we now have an opportunity to build a project restart plan based on one of the highest-grade gold deposits discovered in Australia in recent years. And importantly, we believe that we now have the keys to unlock similar discoveries close by.

The Company's growing Resource and Reserve base is supported by fully developed debt-free infrastructure, including an existing fit-for-purpose processing plant that is being maintained in a high state of care and maintenance to facilitate a rapid operational restart.

This puts Spartan in a unique position in the Australian gold sector.

I would like to sincerely thank my fellow Board members for their wise counsel over the year and would particularly like to acknowledge the exceptional leadership of our Managing Director, Simon Lawson, who has successfully guided the Company through a very difficult period with great energy, passion and commitment. I would also like to thank our small but very hardworking team of staff and contractors who have worked tirelessly over the year to deliver such positive outcomes.

And finally, I would like to thank all our shareholders – both new and long-term – who continue to support the Company and share our enthusiasm about the path ahead.

I believe the coming year is set to be an immensely exciting period for Spartan Resources and I look forward to sharing it with you all.

Yours sincerely,

Rowan Johnston
Non-Executive Chair

Sustainability Report

Contents

FY2023 Highlights

Spartan's Sustainability Ambition

'Delivering safe, responsible environmental and social outcomes while creating positive shareholder value.'

ENVIRONMENT

No material non compliance.

John Hodder appointed to the Board as Non-Executive Director as the nominee of Tembo Capital.

SOCIAL

$50 million funding package completed in March 2023 underpinning the Company's 18-month exploration, technical studies and "365" operationals strategy activities.

Company Name Change to Spartan Resources Limited, signifying the team's fearless spirit.

Significant share price growth since 9 March 2023, when the Company recommenced trading from $0.10 per share to $0.39 at the date of signing of the Annual Report.

GOVERNANCE

No material non compliances.

Transitioned safety to Care and Maintenance.

Rehabilitation of exploration and drilling.

Executive Summary

In 2022, Spartan Resources Limited (Spartan or the Company) delivered its first Sustainability Report as part of the 30 June 2022 Annual Report. Shortly, thereafter in November 2022 the Company ceased mining and processing operations at its Dalgaranga Gold Project (Dalgaranga) and transitioned Dalgaranga to Care and Maintenance (C&M). Since then, we have undergone a transformational financial and operational restructure, focusing on advanced exploration and technical / financial study efforts to support a future decision to recommence mining. The reset was designed to preserve the value of Spartan's existing extensive infrastructure whilst we grow our resource and reserve base and develop a new and sustainable operating plan.

We remain committed to transparency around our sustainability performance. While a large part of the current reporting period (FY23) has been about getting the business back on a sustainable financial footing, we have maintained our commitment to making sustainability disclosures as part of our Annual Report. Where data presented in this Sustainability Report reflects performance that has materially changed from prior periods due to the C&M status, this will be noted in the supporting text.

At Spartan, we aim to be a responsible miner and we understand the impact that mining operations can have on the environment and society. We are using this period of C&M to consider initiatives and practices that will minimise our environmental impacts and maximise our social contributions as much as reasonably possible. This involves efforts to minimise the environmental impact of our exploration activities and nurture the well-being of our workforce and communities whilst upholding the highest standards of ethical governance towards all our stakeholders. Striving for transparency and genuine accountability, we are aiming to meticulously integrate ESG principles across all elements of the business.

Our Approach to Sustainability

Our approach to ESG is rooted in a belief that respectful and sustainable conduct not only safeguards our shared planet, but also enhances the resilience and prosperity of our business over the long term. A core tenet of sustainability is economic viability – we must be successful in fulfilling our commercial obligations as a platform to successfully develop and implement further ESG initiatives. As such, our decision in November 2022, to transition the Dalgaranga site to C&M has allowed us to enter a detailed planning phase to reset operations and work towards recommencing operations with an integrated economical and sustainable approach across all activities.

In FY23, we continue to be guided by the Global Reporting Initiative (GRI) as a framework for measuring and disclosing our ESG performance, supplemented by sector specific metrics from the Sustainability Accounting Standards Board (SASB). We have utilised this C&M period to focus our efforts on improving data management, disclosure capabilities and transparency around material topics in order to best communicate economic, social and environmental considerations to our stakeholders.

Our Core Values

Spartan's 's Core Values pillar 'Putting HEARTS into Mining' through Honesty, Excellence, Accountability, Resilience, Teamwork and Safety is key to who we are and how we interact with each other and our stakeholders.

Our focus on ESG aligns with, and is reflected in, our Core Values.

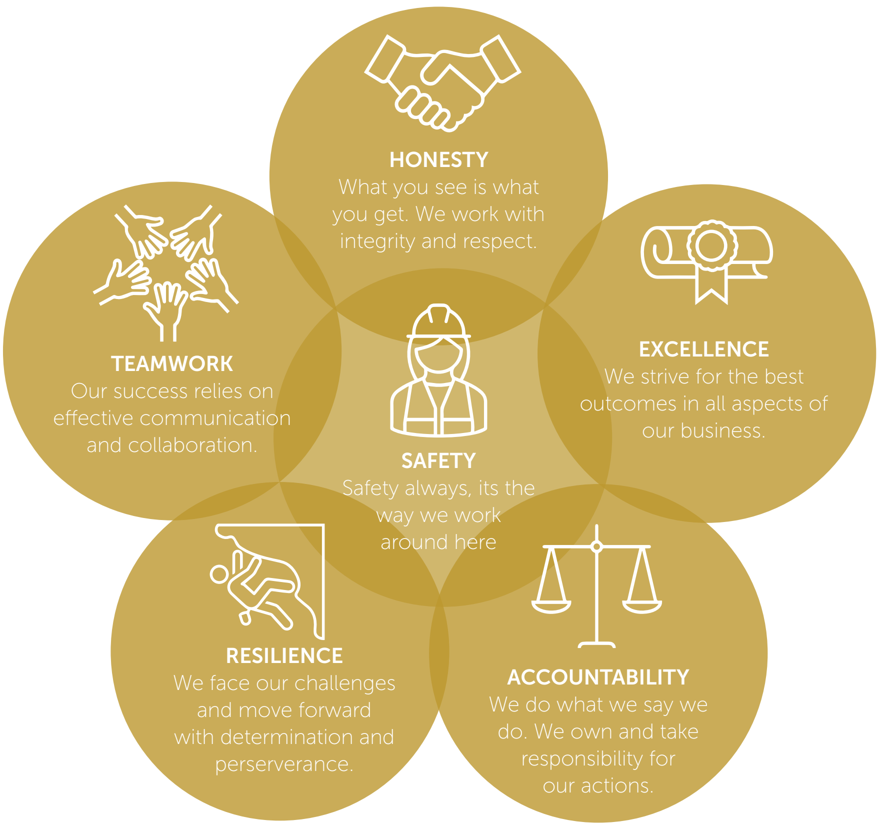
Specifically, our Core Values will be linked to sustainability primarily through 'Accountability' and 'Excellence', evident in our belief for delivering safe, respectful environmental and social outcomes while creating positive shareholder value.

Material Topics of Focus in FY23

Previous stakeholder assessment and internal engagement during the reporting period has informed the ESG topics that we believe are material for FY23. After conducting a gap analysis of data availability within the business against the guidance of GRI and SASB, we acknowledge the need to capture additional data to transparently measure and disclose our ESG performance.

Whilst performance data for some material topics may be distorted as a direct result of our current phase of C&M, we recognise the need to provide disclosure continuity. We aim to present available data in this year's Sustainability Report along with commentary to explain significant departures from multi-year trends. We also aspire to substantially enhance data collection methods as we work through this period of C&M prior to a restart decision.

COMPANY VALUES PUTTING HEARTS INTO MINING



Material topics identified for discussion:

Environment	Social	Governance
Energy, GHG & Climate Change Other Air Emissions Water & Effluents Waste Management Closure and Rehabilitation Biodiversity	Rights of Indigenous Peoples Economic Value and Performance Local and regional Communities Occupational Health & Safety	Board Governance

Environment

Spartan's operations are divided into production and brownfield exploration at Dalgaranga (noting that processing operations ceased at Dalgaranga in November 2022 with the mine being placed on C&M) and exploration at several greenfield locations noted within the Operations Review of the Annual Report. Due to the differences in types of activities and geography, activities at each location must account for different water systems, flora, fauna & ecosystems accordingly. Throughout this section, we will differentiate between our production and exploration data as the impact on the environment and opportunities for mitigation are substantially distinct.

The C&M phase at Dalgaranga is pivotal in laying a robust foundation to mitigate potential future impacts on natural capital and curb our contribution to climate change. By meticulously assessing our operational strategies and mine planning, we strengthen our commitment to responsible resource extraction and sustainable practices. Through careful consideration of environmental factors, we aim to chart a course that ensures resource efficiency and upholds our responsibility towards safeguarding the environment and mitigating climate change.

Due to the current C&M phase, our FY23 data shows a significant reduction in impacts on the environment across the range of metrics when compared to prior periods. We acknowledge that these figures are not representative of full-scale operations over a 12 month period.

Energy & Greenhouse Gas (GHG) Emissions & Climate Change

GHG emission reporting is steered by the National Greenhouse Gas and Energy Reporting Act (NGER Act) since 2019. To better understand the profile of our organisations' GHG emissions footprint we have divided our inventory based on Production and Exploration activities, detailing activity-specific requirements. We have been reporting our GHG emissions from Dalgaranga under the NGER Act since 2019.

In order to calculate our GHG emissions, we first calculate our energy consumption. Our main sources of energy consumption at Dalgaranga are from the use of liquified natural gas (LNG) for electricity generation, natural gas, and diesel. This accounted for 582,272 GJ of energy in FY23. Energy consumption from exploration activities comes primarily from diesel usage. This accounted for 6,875 GJ of energy in FY23.

This year we produced a total of 28,551 MT CO2-e Scope 1 emissions, comprising 28,068 MT CO2-e at the Dalgaranga Mine and 483 MT CO2-e from our exploration activities. The scope 1 emissions included carbon dioxide (CO2), methane (CH4), nitrous oxide (N20) and sulphur hexafluoride (SF6).

As our operations return to full production in time, we will be assessing the effect of forward-looking physical and transitional climate risks on our operations. We recognise this as a necessity in adapting our long-term operational strategy to a changing climate and an economy transitioning to a net zero carbon future. With the imperative to reduce GHG emissions and adopt more sustainable practices, at Spartan we believe energy solutions will be a key part of our restart decision. In future years, we may look to implement advanced technologies such as renewable energy sources, energy-efficient equipment, and optimised operational processes, to significantly curtail our GHG emissions footprint.

Table 1: Comparison of other GHG Emmissions and Energy Consumption

Production & Exploration Energy & Air Emissions	Unit	FY19	FY20	FY21	FY22	FY23
ENERGY						
Energy Consumption	GJ	1,360,781	1,304,351	1,382,438	1,361,669	589,147
GHG EMISSIONS						
Gross direct (Scope 1) GHG emissions	Metric Tonnes CO2e	73,778	67,757	70,286	68,377	28,551
Gross Indirect (Scope 2) GHG emissions	Metric Tonnes CO2e	16	22	24	22	22
Total Emissions	Metric Tonnes CO2e	73,794	67,757	70,311	68,399	28,573
Emissions Intensity	Metric Tonnes CO2e/ oz	1.29	0.93	0.91	0.96	1.57*

**Data reflects July-October FY23, the only months in FY23 for which there is production data.*

Other Air Emissions

Spartan has been collecting air emissions data since FY18. The transition to C&M since November 2022 has substantially reduced our air emissions for the reporting period due to our limited operations. We expect air emissions to return to similar levels as FY22 once a restart decision is made and operations recommence.

The table below shows data for our production activities at Dalgaranga. Our exploration activities do not calculate other air emissions due to their substantially smaller impact and no current regulatory requirement to collect such data.

Table 2: Comparison of other Air Emmissions

Production & Exploration Energy & Other Air Emissions	Unit	FY18	FY19	FY20	FY21	FY22	FY23
NOx	kg	146,304	558,080	448,224	449,095	404,832	168,680
SOx	kg	94	370	306	308	272	113
Persistent Organic Pollutants (POP)	kg	0	0	0	0	0	0
Volatile organic compounds (VOC)	kg	12,563	42,924	34,428	35,048	31,454	13,106
Hazardous air pollutants (HAP)	kg	1	6	4	6	5	2
Particulate matter (PM)	kg	6,904,256	23,447,470	22,382,510	20,934,963	19,298,376	8,040,990
Mercury (Hg)	kg	1.31	3.60	3.39	3.19	2.99	1.00
Lead (Pb)	kg	0	0	0	0	0	0
CO	kg	71,097	255,281	236,741	247,618	200,418	83,508

Water and effluents

Water is a key resource for our operations as well as for the ecosystems adjacent to our operations. We manage our water supply in accordance with our Department of Water and Environmental Regulation (**DWER**) groundwater licence and Spartan's Groundwater Licence Operating Strategy (**GLOS**).

Reporting on water impacts is commonly disclosed as water withdrawal and discharge. The difference between these two categories provides us with our water consumption. In addition to this, we measure the volumes of water drawn from our tailings water recovery system at Dalgaranga for re-use. This process involves pumping tailings water back into the reticulated system for reuse in the Dalgaranga processing plant. Water drawn from the tailings water recovery system is factored into our total water consumption at Dalgaranga. See the table 3 for the data and calculations.

Water consumption at our exploration sites is not reported due to low levels of consumption and no current regulatory requirement to collect such data.

We are committed to minimising our reliance on natural groundwater sources where possible for operations and maximising our opportunities to optimise water usage efficiency. To this end, we prioritise sources from mine dewatering and repurposed from tailings facilities over virgin groundwater extraction. At Dalgaranga, our main sources of water are:

- **Borefield:** Spartan holds a groundwater license allowing 5,500ML of annual extraction for mining. In FY23, we extracted 742 ML of water for our mining needs. Pit dewatering: Ground water sources that must be removed from the mine for operational and safety purposes. This type of water accounted for 431 ML of our mining needs.
- **Tailings water recovery system:** In order to reduce groundwater consumption, we are able to repurpose tailings water through a decantation process. In FY23, we were able to supply approximately 41.2% of our total water use by decanting tailings water. This source provided water supply of 822 ML.
- Monthly water use tracking prevents exceeding the groundwater license limit. Additionally, Spartan follows Health Department guidelines for potable water monitoring and conducts a monthly groundwater program, measuring bore depth, salinity, and pH for compliance. Quarterly, samples are sent for detailed analysis as outlined in the GLOS.
- The water withdrawn and collected served diverse purposes including:
    - Dust control
    - Drinking water and sanitation facilities for employees
    - Ore processing
    - Exploration and Blast Hole Drilling

Table 3: Comparison of Water Usage by Source Type

Sources of Water	Unit	FY21	FY22	FY23
Pit Dewatering	ML	1,248	873	431
Borefield Abstraction	ML	1,273	816	742
Total Water Withdrawal (Pit Dewatering + Borefield Abstraction)	ML	2,521	1,771	1,173
Total Water Discharged – septic system	ML	18	18	8
Water Consumption (Withdrawal – Discharge)	ML	2,503	1,753	1,165
Tailings Water Recovery System	ML	1,837	2,187	822
Total Water Use (Withdrawal + Tailings Water Recovery System)	ML	4,358	3,958	1,995

In FY23, 8ML of water was treated through our wastewater septic system and then discharged into the local environment, within specifications permitted by our groundwater license.

Baseline water stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies. SASB requires the reporting of High (40–80% of renewable sources of water) and Extremely High (>80% of renewable sources of water) Baseline Water Stress. It recommends the use of the Water Risk Atlas to measure baseline water stress in areas of operation.

Despite our production and exploration locations being in an area of high Overall Water Risk , the low demand and rural nature of the area mean that it is not considered a high water stress location. Notwithstanding, Spartan is mindful of the scarcity of the resource and attempts to reduce its consumption as much as possible.

During the reporting period, potentially acid forming (PAF) waste rock material was identified. PAF has the potential to impact groundwater if not stored correctly. This material is being placed on the decommissioned Gilbey's Tailings Storage Facility (TSF), where it will be encapsulated in purpose built storage facilities to prevent acid or metalliferous drainage into the groundwater.

The results of our monitoring programs show that there has been no contamination of groundwater or surface water from our mining activities or storage of materials. During the reporting period there were no incidents of non-compliance associated with water quality permits, standards, and regulations.

Waste Management

Hazardous Waste

In our pursuit of responsible mining practices, we acknowledge the critical importance of addressing hazardous waste generation within the gold mining industry. The main source of hazardous waste in the gold mining industry is from the use of cyanide. For environmental and economic reasons, we minimise the use of cyanide within operational parameters and conduct decanting at the Tailings Storage Facilities. This decanting reduces cyanide consumption, preserves water, and reuses the decanted water in our processing plant. We also have an automated cyanide and oxygen dosing system in operation during production which optimises cyanide usage.

Table 4: Hazardous Waste Generated and Recycled

Hazardous Waste	Unit	FY21	FY22	FY23
Hazardous waste generated (tailings)	m^3	4,964,100	4,770,525	1,810,063
Hazardous waste recycled (decanted water)	m^3	1,836,614	2,319,900	822,209

Production data (Dalgaranga) – no hazardous waste generated or recycled for exploration operations.

Tailings Storage Facilities (TSFs)

TSFs are a key method of storage and treatment of hazardous waste generated in the gold mining industry. When designed properly, they ensure that hazardous elements do not end up in waterways, soil and pristine ecosystems that surround mines. TSFs are only utilised for operational mines as exploration projects do not generate enough hazardous waste to require this kind of facility.

Spartan currently has one TSF in operation, Golden Wings in-pit TSF at Dalgaranga with a maximum storage capacity of 5,561,111 m3, of which 4,282,460 m3 is currently in use.

We also have a decommissioned TSF, near the Gilbey's pit, which is no longer in use for tailings, but is utilised as a storage cell for PAF spoil material.

Tailings Storage Facilities Management								
Facility name	Location	Ownership Status	Operational Status	Construction method	Maximum permitted storage capacity	Current amount of tailings stored	Consequence Classification	Date of most recent independent technical view
Golden Wings in-pit TSF	Dalgaranga site	100% owned	On standby	In-pit	5,561,111 m^3	4,258,2000 m^3 slurry	Very low	13/04/2023

Mineral waste

As part of our commitment to sustainable mining practices, we prioritise the responsible management of non-hazardous waste generated by our operations. Waste rock or overburden, a byproduct of our activities, is stockpiled for potential re-processing and/or use in rehabilitation efforts. While the volume of rock waste generated in FY23 is low compared to previous periods, we have continued our approach to stockpile management that is designed to minimise exposure of sulphide-bearing materials to air and water to prevent acid generation. Spartan also undertakes monitoring and early detection through groundwater sampling adjacent to the PAF storage cell for detection of acid and metals leaching into the ground water. The PAF cell structure is audited annually by an independent Geotechnical consultant. No detection incidents were reported in FY23.

Table 5: Comparison of Mineral Waste Generated

Mineral Waste	Unit	FY21	FY22	FY23
Rock waste/Overburden generated	Metric Tonnes	8,982,820	6,188,000	2,578,300

Rehabilitation and land management

Spartan is currently primarily engaged in exploration activities, with its Dalgaranga process plant in a C&M phase. Exploration has periodic rehabilitation for its work areas and in FY23 rehabilitated a further 1ha. In FY23 no rehabilitation was undertaken for the existing Dalgaranga production facility.

Table 6: Comparison of Rehabilitated Areas

Production data - Dalgaranga	Unit	FY21	FY22	FY23
Land owned / leased	ha	2,136	2,136	2,715
Land disturbed	ha	703	765	809
Land rehabilitated during the reporting period	ha	-	-	-
Cumulative land rehabilitated	ha	12	12	12
Exploration data	**Unit**	**FY21**	**FY22**	**FY23**
Land owned / leased	ha	392,740	392,740	392,740
Land disturbed	ha	779	782	787
Land rehabilitated during the reporting period	ha	12	2	1
Cumulative land rehabilitated	ha	12	14	15

CASE STUDY - CLIMATE

The mining industry is generally a large consumer of energy and consequently a generator of greenhouse gas (GHG) emissions. Moreover, due to the nature and location of our operations, we are aware of the high climate-related risk potential for our operations which may be further exacerbated as the planet continues to warm. Climate change is happening, and we expect the physical and economic consequence for Spartan to increase in future years if left unaddressed. To this end, our efforts towards climate adaptation and mitigation are essential to the long-term sustainability of our business.

An example of actions to prepare for the potential consequences of climate change was in our response to flooding at Dalgaranga during March and April this year. We strategically allocated resources to manage water drainage and diversion from our exploration sites. In the aftermath of this event, as surface water gradually receded, we optimised our rig strategy, resulting in a notable increase in output. This proactive approach not only mitigated the impact of the productivity setback but also ensured the attainment of our operational goals.

As this type of weather event may become more frequent in the future, we will take the learnings from this event to our broader climate-related risk evaluation. We will be assessing the possible effects of forward-looking physical and transitional climate risks on our operations in FY24. We recognise this as a necessity in order to adapt our long-term operational strategy to a changing climate.

Social

Rights of Indigenous People

At Spartan, we aim to maintain a positive relationship with local First Nations People and ensure we operate within the frameworks agreed between Traditional Custodians and Spartan.

Spartan engages with Traditional Custodians across its tenement holding portfolio. Before any ground disturbances occur, Traditional Custodians are invited to inspect the proposed ground disturbance area to ensure that Spartan's proposed activities are in line with cultural heritage management plans (CHMP) and will not lead to loss or destruction of artefacts or culturally significant areas.

Currently, the Dalgaranga mining lease is not part of any Native Title application or claims, however the mostly closely aligned group is the Badimia people. We have been engaging with the Badimia people on cultural heritage surveys to inform our operational planning and potential compliance requirements, and to explore opportunities for collaboration with them moving forward.

The Dalgaranga bore field tenure is within the Wajarri Yamatji determined claim, with whom we frequently work to conduct cultural heritage surveys for site identification and avoidance.

The Melville mining lease application area is covered by the Yamatji South Indigenous Land Use Agreement (ILUA), with miscellaneous licences associated variously with Wajarri Yamatji, Yamatji South and the Badimia people. We ensure that necessary cultural heritage management activities are conducted on a timely basis and acknowledge the protection of cultural heritage as a key component of our licence to operate.

Economic Value and Performance

Economic performance is core to our ability to deliver operational and financial results and an important element for our stakeholders. Our aim is to deliver shared value through effective partnerships while maintaining balance sheet strength and flexibility to act on organic growth opportunities. FY23 has been primarily focused on the operational and financial restructure that will ensure our financial sustainability into the future.

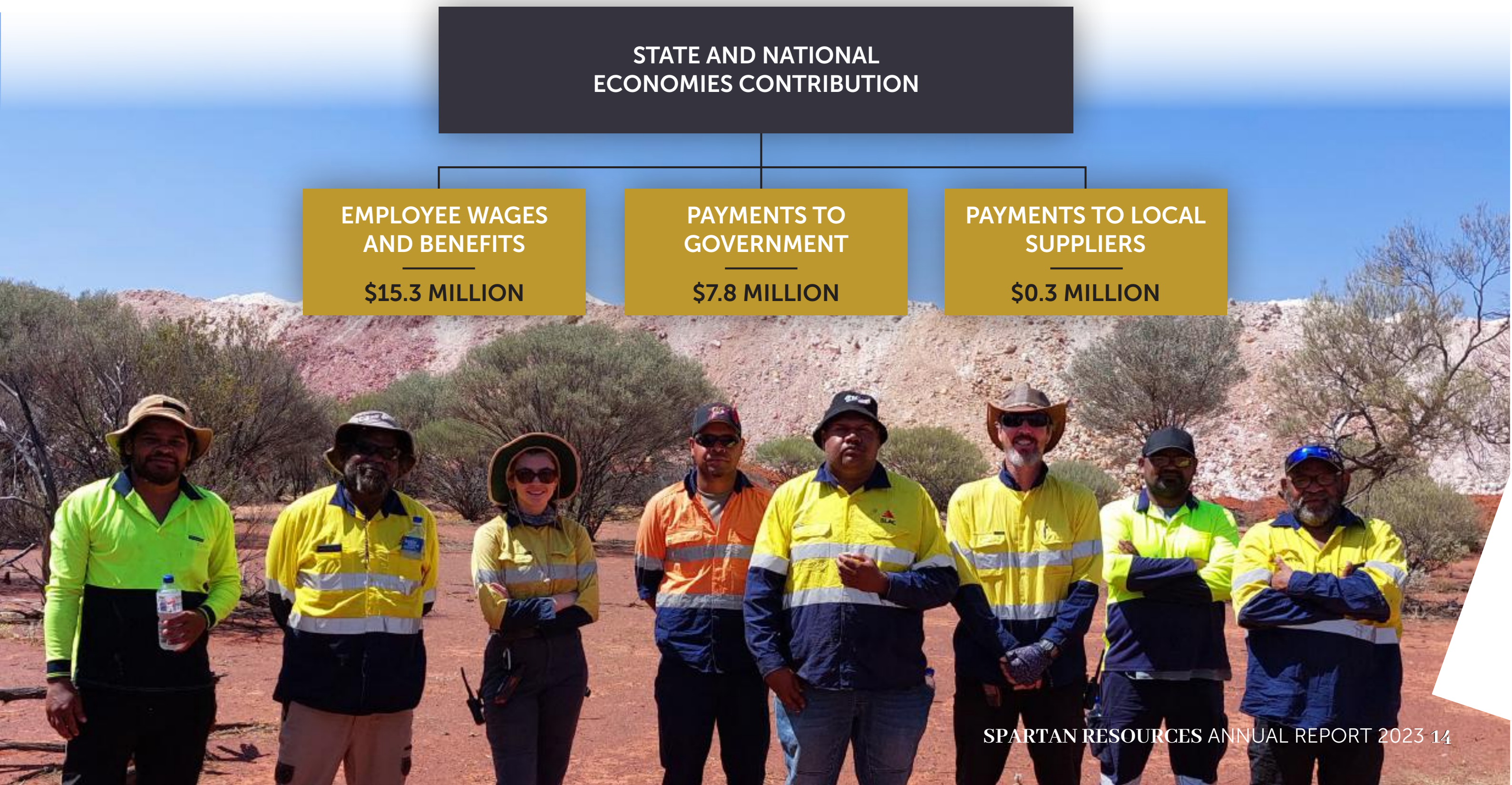
The $50 million funding package completed in March 2023 has ensured that Spartan is fully funded to meet all drilling, studies and associated cost requirements through to a restart decision in 2024.

Local and Regional Communities

The communities near our sites experience the most direct social, environmental and economic impacts of our businesses. By prioritising local procurement and contributing our share of taxes and royalties, we aim to support these local communities. During FY23, Spartan contributed $345,827 to local community vendors in the Mt Magnet Region. Within the Western Australia region, $7,885,127 was contributed to payroll tax, WA royalties, tenement rent, shire rates, MRF, and DMP Levy We aim to retain economic value within the local communities in which we operate, striving to hire as many local workers as possible over FIFO contractors.

Occupational Health and Safety

We believe everyone, every day should be able to go home without injury and without long-term impact on their physical or mental health. Workplace health and safety is built into our culture and begins when a new employee or contractor commences working for Spartan.



CASE STUDY - LOCAL COMMUNITY EMPLOYMENT

As a result of the operation being placed into C&M, it became apparent that there was a need for ad-hoc labour to assist with many tasks around the processing, administration and accommodation facilities. This labour was needed for short durations that could be not reasonably filled on a fly in and fly out basis. Through discussions with the Badimia people to explore opportunities to utilise traditional custodians based in the proximal communities to Dalgaranga (mostly Mount Magnet), it became apparent that there was a pool of people that had the skills required to assist Spartan. A successful outcome for both parties occurred with Badimia people assisting the C&M activities and plant shutdown at Dalgaranga.

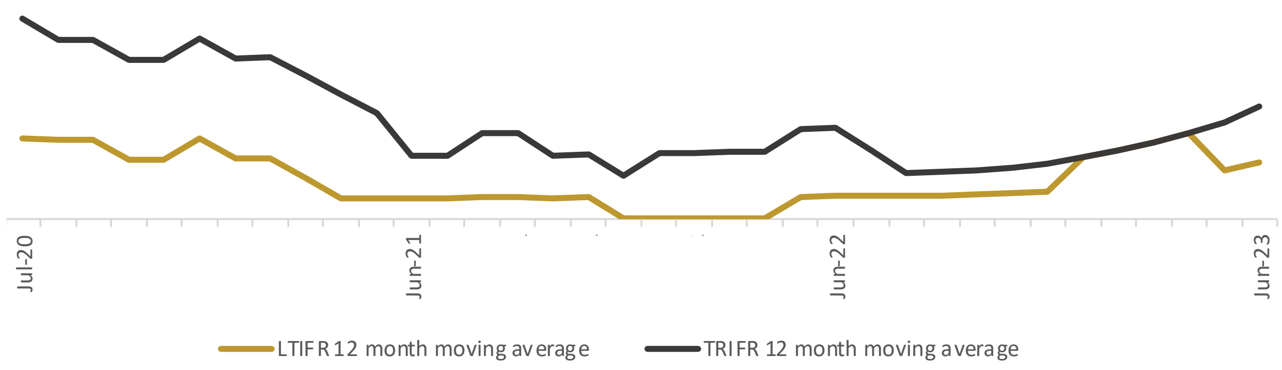
New starter training begins with:

- The general induction which discusses 'how we work around here'
- Critical risk awareness
- Risk control processes
- Lifesaving behaviours
- Fitness for work, alcohol screening every day
- Awareness of company values and appropriate behaviours
- Introduction to visual felt leadership interactions

These training programs, with specific area inductions and competency development, ensure we set our new team members up for success by using hazard reporting as a key tool in mitigating risks and implementing controls that will help ensure the safety of employees and other stakeholders.

Day-to-day tasks are managed through planning and preparation of the Job Hazard Analyses (JHA) for operations, and competence development of standard work instructions, as well as presence of an on-site Safety Committee.

In compliance with the Department of Mines, Industrial Regulation and Safety (DMIRS), we use the metric of 'Total Recordable Injury Frequency Rate' (TRIFR). This metric enables a degree of comparison of performance within the gold mining industry and broader industrial sectors. Frequency rates are calculated by the number of incidents divided by hours worked, multiplied by 1,000,000. The Total Recordable Injury Frequency Rate ("TRIFR" 12-month rolling) for the Dalgaranga Gold Project at the end of the FY23 June Quarter was 7.1, an increase from 4.8 at the end of the FY23 March Quarter, primarily due to a reduction in worked hours on site compared to 12 months ago. The figure for FY23 represents employee data only, while the data for FY21 and FY22 is representative of site figures which includes contractors. There were 2 recordable injuries for contractors FY2023.



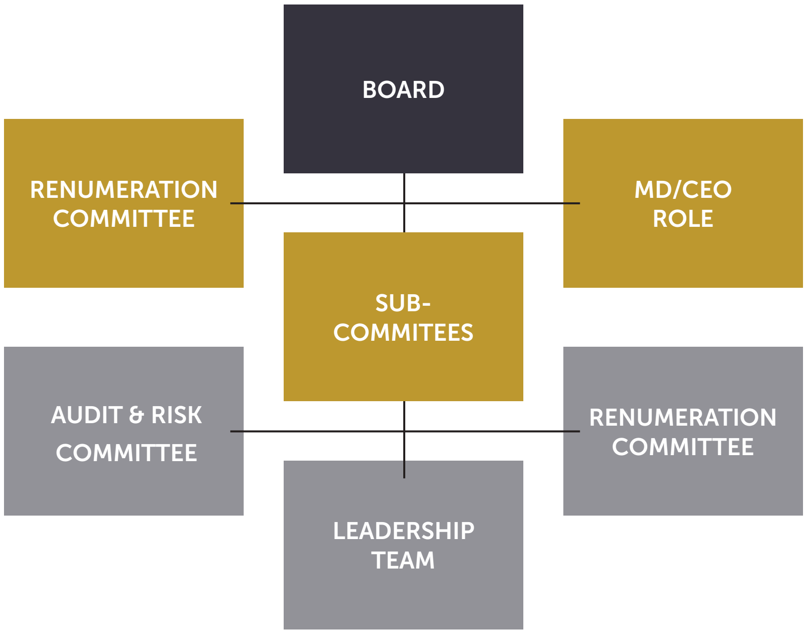
CASE STUDY - LOOKING AFTER OUR EMPLOYEES

Mental health is a key focus in our organisation, with a concerted effort to provide valuable mental health support to employees who may need it. This was particularly evident when operations ceased at Dalgaranga in November 2022. Affected employees were provided with both financial and wellbeing support over and above the required National Standards ensuring the transition was made as easy as possible for all employees.

Spartan is committed to sending everyone home safely every day. Working safely at Dalgaranga is not optional - "It's the way we work around here. If we can't do the job safely then we don't do it."

Governance

SPARTAN'S GOVERNANCE FRAMEWORK



Board Governance

The Board of Spartan is responsible for setting the standards for business ethics, governance and compliance, relaying strong internal and external messages of the company's integrity and reputation. The Board ensures Spartan continues to be known as an honest and reputable gold mining and exploration company.

The Board is responsible for deciding the nature and extent of the risks Spartan is prepared to take to meet its objectives and for monitoring the exposure to risk. They ensure appropriate controls are in place to mitigate these risks, safeguard the assets and interests of the company and to ensure the integrity of reporting.

The Board is comprised of individuals from diverse backgrounds bringing a variety of skill sets to the governance and decision making process of the Company.

In May 2023, John Hodder, an experienced geologist and finance professional in the resources industry joined the Board in a non-executive director capacity representing Spartan's largest shareholder.

ESG Governance

Whilst the Board maintains overall responsibility for the company's corporate governance, ESG is a shared responsibility across the company, with the Executive Leadership Team and Department Managers taking primary responsibility for ESG performance and management.

The Audit and Risk Committee's (ARC) purpose is to assist the Board in fulfilling its corporate governance and monitoring responsibilities, a practical approach in which directors can examine in larger detail Spartan's exposure to risk. Oversight of ESG by the committee is achieved through regular reporting by management, direct engagement with management and employees, and periodic visits by directors to the mining operations and exploration sites. Appropriate implementation of controls and mitigation strategies are put in place, with policies and procedures updated accordingly.

Spartan's ESG policy and framework is in the early stages of development, with ESG risks falling within the current risk management system which is used as a tool to assist in meeting ESG objectives, especially in the areas of environmental and corporate governance.

As we approach a restart decision, we are actively considering the requirement for an ESG team, made up of key employees within the business who will take primary responsibility and management of all activities related to advancing our Sustainability approach. This may include data collection and evaluation, climate-related risk management, aligning with GRI/SASB recommendations, reporting and an enhancement of the company's Sustainability Strategy.

Management

Spartan seeks to maintain high standards of ethics, legal and regulatory compliances which aligns with our Core Values.

We aim to be compliant with all relevant laws and regulations and seek to adhere to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition).

The company has developed policies and procedures to facilitate the reporting of unethical or unlawful behaviours including a Whistleblower Policy and an Environmental and Social Policy. These policies provide the ability for anyone to report incidents through an anonymous platform.

License to Operate

Spartan maintains all necessary licences and permits required to conduct its operations and seeks approval for additional permits as required to enable the company to conduct exploration activities on its tenement holdings. Required permits are obtained from regulatory bodies in advance of activities occurring. The company engages external parties to audit and review its environmental management practices.

During FY23, there have been no material non-compliances with any laws or regulations, with no instances of bribery or corruption having been reported or identified.

Risk Management

Risk is inherent in all aspects of a company's operations – at Spartan we are committed to managing all levels of risk in an effective manner for which the best outcomes are derived for all involved stakeholders. Spartan's Risk Management Plan is regularly evaluated and updated by senior management according to evolving needs. It provides employees with guidance related to risk analysis at each level within our departments. All employees are responsible for managing the risks related to their particular area of work and minimising adverse consequences for inherent risk.

Risk policies are regularly reviewed by the Board to ensure continued effectiveness and improvement; this system is used to identify risk and set in place action plans to mitigate the effect of risk events should they occur. Spartan seeks to promote risk management culture that:

- Considers all forms of risk in decision-making.
- Analyses and evaluates risk profiles at all levels of operations in order to achieve the best outcome for the company as a whole.
- Retains ownership and accountability for risk management at all levels of the business and recognises that risk management does not defer accountability to others.
- Encourages adherence and monitors compliance with policies and procedures.

Closing Statement

This Sustainability Report aimed to transparently report ESG considerations that both enhance the resilience of our business and reflect our commitment to respectful interactions with all our stakeholders as well as the environment.

Guided by the international GRI standards, the Sustainability Report outlines the organisational challenges and successes we have faced during our current operational landscape, an irregular year for Spartan. The current financial year has seen a focus on strategic, operational planning and financial restructuring to continue our exploration and technical / financial study efforts to support a future decision to recommence mining, allowing us the necessary time to adopt a model which provides the re-distribution of resources and attention to implement innovative solutions. With the investigation of environmental initiatives during this planning period, we strive to reduce any long-term effects on the ecosystems in which we operate and significantly reduce our carbon footprint.

Our ESG ambitions during and post the C&M period, focus on improving data collection methods, broadening targets and metrics, understanding and improving ESG performance, and producing authentic reports directed towards our stakeholders. Linked to this, our Core Values are central to our operations - Spartan ensures its employees are safe, collaborative and honest creating a resilient and accountable workforce focussed on achieving organisational targets.

The capabilities of the team and prospects for our future ambitions are encouraging - we are disciplined in our strategy, fearless in our execution and confident in our ability to succeed in this new chapter as Spartan Resources Limited.

Mineral Resource Estimates and Ore Reserves

Governance

Reporting of Mineral Resource Estimates and Ore Reserves have been compiled in accordance with the 2012 Edition of the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the JORC Code 2012), Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31. The JORC Code 2012 is a set of minimum standards, recommendations and guidelines for public reporting of Exploration Results, Mineral Resources and Ore Reserves, as defined by the Joint Ore Reserves Committee (JORC).

Governance of the estimate of Spartan's Mineral Resource Estimates and Ore Reserves is a key responsibility of the Executive Management of the Company. The Managing Director and Chief Executive Officer of the Company oversees the reviews and technical evaluations of the Mineral Resource Estimates and Ore Reserves.

The Company has governance processes in place to manage the Mineral Resource Estimates and Ore Reserves in accordance with industry best practice.

All Mineral Resource and Ore Reserve estimates are prepared by qualified professionals in accordance with JORC Code processes that ensure representative and unbiased samples are obtained with appropriate QA/QC practices in place.

Mineral Resource Estimates and Ore Reserves are periodically peer reviewed by external consultants and by the Company. When an initial or maiden Mineral Resource Estimate is prepared for a deposit, the Company engages an independent technical expert to conduct an independent review. The Company engaged an independent technical expert to review the Mineral Resource Estimate updates to the Never Never Deposit in January 2023 and July 2023.

Mineral Resources

As defined in the JORC Code 2012, a Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are subdivided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

The Group's Mineral Resources represent the estimated quantities of minerals that can potentially be commercially recovered from the Group's projects but which do not have demonstrated economic viability.

The Group's Mineral Resource Estimate (MRE) was updated on three separate occasions during and post the 2023 financial year. The latest update occurred in July 2023 (refer ASX release dated 24 July 2023), resulting in an updated Group Mineral Resource Estimate of 38.51Mt at 1.6g/t Au for 1,964,000 contained gold ounces. As part of its annual update and review in September 2022, the Group made the decision to change the cut-off grade at the Dalgaranga Gold Project from 0.25g/t Au to 0.50g/t Au which has since been carried forward in all subsequent MRE updates. The updated Group Mineral Resource Estimate as at 24 July 2023 is presented below:

GROUP MINERAL RESOURCES			
Category	**Tonnes (Mt)**	**Grade (g/t)**	**Contained Metal (koz Au)**
Measured	0.50	0.95	15.20
Indicated	29.44	1.6	1,508.57
Inferred	8.57	1.6	440.28
GRAND TOTAL	**38.51**	**1.6**	**1,964.0**

Group Mineral Resource Estimates (as at various dates and cut-off grades)

Following completion of the acquisition of Firefly Resources Limited ("Firefly") in November 2021, the Group has commenced reporting its Mineral Resource Estimates in two (2) distinct regions – i) Murchison Region, and ii) Gascoyne Region. The Murchison Region comprises the Dalgaranga Gold Project ("DGP") and the Yalgoo Gold Project ("YGP"). The Gascoyne Region comprises the Glenburgh Gold Project ("GGP") and Egerton Gold Project ("EGP").

Mineral Resource Estimates and Ore Reserves

Mineral Resources – Murchison Region

Group Mineral Resource Estimates for the Murchison Region as at 24 July 2023 are 21.94Mt at 2.0 g/t Au for 1,426,900 ounces, and shown in the following table:

MURCHISON REGION			
Category	**Tonnes (Mt)**	**Grade (g/t)**	**Contained Metal (koz Au)**
Measured	0.50	1.0	15.2
Indicated	15.71	2.1	1,052.9
Inferred	5.73	1.9	358.9
TOTAL	**21.94**	**2.0**	**1,426.9**

Note: "Murchison Region" Mineral Resource includes Dalgaranga Gold Project (DGP) and Yalgoo Gold Project (YGP). The DGP also includes the Gilbey's North – Never Never and Archie Rose mineral resources. Cut-off grades are 0.5g/t Au at DGP and 0.7g/t Au at YGP

Dalgaranga Mineral Resource Estimate

During the 2023 financial year, the Dalgaranga Mineral Resource Estimate was updated on three separate occasions:

- **September 2022 update**
  In September 2022, the Mineral Resource Estimate (MRE) for Dalgaranga was updated (refer to ASX announcement released on 8 September 2022) to 14.93Mt at 1.23g/t Au for 590,100 ounces of contained gold. Dalgaranga comprises the "Gilbey's Complex" gold deposits (Gilbey's Main, Gilbey's East, Plymouth, Sly Fox and Gilbey's South). Updates made to the MRE for the Gilbey's Complex include mining depletion through to 30 June 2022 and increase in cut-off grade from 0.25g/t Au to 0.50g/t Au. No material changes were made to the MRE for the Gilbey's Complex resulting from new drilling or geological information. On this date, the Group also reported an initial MRE for the Never Never deposit located approximately 350 metres north of the Gilbey's pit and less than 1,000 metres from the Dalgaranga process plant and a maiden MRE for the Archie Rose deposit at Dalgaranga located approximately 9km from the Dalgaranga process plant.

- **January 2023 update**
  In January 2023, the Mineral Resource Estimate (MRE) for Dalgaranga was updated (refer to ASX announcement released on 23 January 2023) to 14.90Mt at 1.6 g/t Au for 783,600 ounces of contained gold. Updates made to the MRE include substantial resource growth at the Never Never deposit in terms of grade and ounces partially offset by mining depletion at Dalgaranga during the six months ended 31 December 2022.

- **July 2023 update**
  In July 2023, the Mineral Resource Estimate (MRE) for Dalgaranga was updated (refer to ASX announcement released on 24 July 2023) to 16.70Mt at 2.2 g/t Au for 1,183,300 ounces of contained gold. Updates made to the MRE are driven solely by substantial resource growth at the Never Never deposit in terms of tonnes, grade and ounces.

The aggregate MRE for the Dalgaranga Gold Project as at 24 July 2023 comprising the Gilbey's Complex, Never Never deposit and the Archie Rose deposit is shown in the following table:

DALGARANGA GOLD PROJECT (DGP)			
Category	**Tonnes (Mt)**	**Grade (g/t)**	**Contained Metal (koz Au)**
Measured	0.50	1.0	15.2
Indicated	12.36	2.2	892.5
Inferred	3.85	2.2	275.6
TOTAL	**16.70**	**2.2**	**1,183.3**

Note: DGP Mineral Resource statement for in-situ and surface stockpile resources above 0.5g/t Au

Mineral Resource Estimates and Ore Reserves

Yalgoo Mineral Resource

The Yalgoo Mineral Resource Estimate was updated and reported by the Group approximately one (1) month after the acquisition of Firefly was completed (refer ASX announcement released on 6 December 2021). The updated Mineral Resource Estimate for the Yalgoo Gold Project is 5.2Mt @ 1.5g/t Au for 243,600 ounces of contained gold. A total of 160,400 ounces of gold (approximately 66% of the Mineral Resource) is contained in the Indicated category.

YALGOO GOLD PROJECT (YGP)			
Category	**Tonnes (Mt)**	**Grade (g/t)**	**Contained Metal (koz Au)**
Indicated	3.35	1.49	160.4
Inferred	1.88	1.37	83.2
TOTAL	**5.24**	**1.45**	**243.6**

Note: YGP Mineral Resource statement for in-situ resources above 0.7g/t Au.

Mineral Resources - Gascoyne Region

Group Mineral Resource Estimates for the Gascoyne Region are 16.57Mt at 1.01g/t Au for 537,100 ounces, and shown in the following table:

GASCOYNE REGION			
Category	**Tonnes (Mt)**	**Grade (g/t)**	**Contained Metal (koz Au)**
Indicated	13.73	1.03	455.7
Inferred	2.84	0.89	81.4
TOTAL	**16.57**	**1.01**	**537.1**

Note: Gascoyne Region Total Mineral Resource statement for in-situ resources above 0.25g/t Au for open pit at Glenburgh, above 2.0 g/t Au for underground at Glenburgh and above 0.7g/t Au for open pit at Egerton.

Glenburgh Mineral Resource

No revisions were made to the Glenburgh MRE during the year and they remain as reported in ASX announcement released on 18 December 2020. No additional information came to light during the year to warrant a change in the MRE. The Mineral Resource Estimate for the Glenburgh Project is 16.3Mt @ 1.0g/t Au for 510,100 ounces of contained gold. A total of 430,700 ounces of gold (approximately 85% of the Mineral Resource) is contained in the Indicated category.

GLENBURGH GOLD PROJECT (GGP)			
Category	**Tonnes (Mt)**	**Grade (g/t)**	**Contained Metal (koz Au)**
Indicated	13.50	1.0	430.7
Inferred	2.80	0.9	79.4
TOTAL	**16.30**	**1.0**	**510.1**

Note: GGP Mineral Resource statement for in-situ resources above 0.25g/t Au for open pit and above 2.0g/t Au for underground.

Mineral Resource Estimates and Ore Reserves

Mt Egerton - Hibernian Mineral Resource

Similar to the Glenburgh MRE, no revisions were made to the Mt Egerton (Hibernian deposit) MRE during the year and they remain as reported in the ASX announcement released on 31 May 2021. The Hibernian deposit contains 0.3Mt @ 3.1g/t Au for 27,000 ounces.

MT EGERTON GOLD PROJECT (EGP)			
Category	**Tonnes (Mt)**	**Grade (g/t)**	**Contained Metal (koz Au)**
Indicated	0.23	3.4	25.0
Inferred	0.04	1.5	2.0
TOTAL	**0.27**	**3.1**	**27.0**

Note: EGP Mineral Resource statement for in-situ resources above 0.7g/t Au.

The Company is not aware of any new information or data that materially affects the information contained in the Group Mineral Resources statement other than changes due to normal mining depletion at the Gilbey's Complex during the period from 1 July 2023 to the date of this report.

Ore Reserves

As defined in the JORC Code 2012, an Ore Reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level, as appropriate, that include application of Modifying Factors (considerations used to convert Mineral Resources to Ore Reserves). Such studies demonstrate that, at the time of reporting, economic extraction could reasonably be justified.

Ore Reserves are sub-divided in order of increasing confidence into:

- Probable Ore Reserves, the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource; and
- Proved Ore Reserves, the economically mineable part of a Measured Mineral Resource.

The Dalgaranga Gold Project Ore Reserve was updated in September 2022, refer ASX announcement dated 21 September 2022. Following the decision in November 2022 to suspend mining and processing operations and transition Dalgaranga to care and maintenance, the previous Ore Reserve published by the Company on 21 September 2022 was withdrawn in its entirety.

Mineral Resource Estimates and Ore Reserves

Competent Persons Statement

As defined in the JORC Code 2012, a Competent Person is a minerals industry professional who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy, or of the Australian Institute of Geoscientists (or of a 'Recognised Professional Organisation', as included in a list available on the JORC and ASX websites) and must have a minimum of five years' relevant experience in the style of mineralisation or type of deposit under consideration and in the activity that they are undertaking.

The information in this report that relates to the Group Mineral Resource Estimates and Ore Reserves is based on information compiled by Competent Persons, as named below.

Each Competent Person named below:

- has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that was undertaken to qualify as a Competent Person as defined in the JORC Code 2012; and
- consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Accountability	Competent Person	Employer	Institute
Dalgaranga Gold Project (Exploration and Sampling)			
	Mr Monty Graham *Senior Exploration Geologist*	Spartan Resources Limited	The Australasian Institute of Mining and Metallurgy *Member*
Dalgaranga Gilbey's Complex MRE			
	Mr Michael Job[1,2] *Principal Geologist/Geostatistician*	Cube Consulting Pty Ltd	The Australasian Institute of Mining and Metallurgy *Fellow*
	and		
	Mr Michael Millad[1,2] *Director and Principal Geologist/Geostatistician*	Cube Consulting Pty Ltd	Australian Institute of Geoscientists *Member*
Never Never MRE			
	Mr Nicholas Jolly *GM – Exploration and Business Development*	Spartan Resources Limited	Australian Institute of Geoscientists *Member*
Archie Rose MRE			
	Mr Simon Lawson *Managing Director / CEO*	Spartan Resources Limited	The Australasian Institute of Mining and Metallurgy *Member*
Dalgaranga Ore Reserve			
	Mr Neil Rauert[3] *Senior Mining Engineer*	Spartan Resources Limited	The Australasian Institute of Mining and Metallurgy *Fellow*
Yalgoo MRE			
	Mr Simon Lawson *Managing Director /CEO*	Spartan Resources Limited	The Australasian Institute of Mining and Metallurgy *Member*
Glenburgh and Mt Egerton - Hibernian MRE			
	Mr Brian Fitzpatrick *Principal Geologist*	Cube Consulting Pty Ltd	The Australasian Institute of Mining and Metallurgy *Member*

1 Information compiled under the supervision of named Competent Person.
2 Information relating to the Mineral Resource for the Gilbey's, Gilbey's East, Gilbey's South, Plymouth and Sly Fox deposits.
3 Information relating to the Ore Reserve for the Gilbey's, Gilbey's East, Gilbey's South, Gilbey's North, Never Never and Plymouth deposits.

The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Corporate governance statement

The Board of Spartan Resources Limited is committed to achieving and demonstrating the highest standards of Corporate Governance. The Board is responsible to its shareholders for the performance of the Company and seeks to communicate extensively with shareholders. The Board believes that sound Corporate Governance practices will assist in the creation of shareholder wealth and provide accountability. In accordance with ASX Listing Rule 4.10.3, the Company has elected to disclose its Corporate Governance policies and its compliance with them on its website, rather than in the Annual Report. Accordingly, information about the Company's Corporate Governance practices is set out on the Company's website at https://spartanresources.com.au/company-overview/corporate-governance/.

Directors' report

The Directors of Spartan Resources Limited (Spartan or the Company) present their report together with the financial statements of the consolidated entity, being Spartan Resources Limited and its controlled entities (together, the Group), for the year ended 30 June 2023.

Directors

The following persons were Directors of Spartan Resources Limited during the year and up to the date of this report unless otherwise stated:

Rowan Johnston BSc (Mining Engineering)
Independent Non-Executive Chair
Appointed as Non-Executive Director on 5 August 2020, Interim Non-Executive Chair on 31 January 2022 and Non-Executive Chair on 31 March 2022

Mr Johnston is a mining engineer with over 40 years' resources industry experience, including 13 years' experience as a company director through executive and non-executive directorship roles. Mr Johnston has held various senior executive roles in Australia and internationally, primarily in the gold sector, and has experience in feasibility studies, company formations, construction, expansions and mergers.

Mr Johnston is the Executive Chairman of Kin Mining NL, and was previously Executive and Non-Executive Director of Bardoc Gold and the Managing Director of Excelsior Gold Limited. Previous roles held by Mr Johnston include Acting Chief Executive Officer and Executive Director of Operations for Mutiny Gold Limited, prior to its takeover by Doray Minerals Limited, and Executive Director of Integra Mining Limited prior to its merger with Silver Lake Resources Limited.

Board committee membership:
Audit and Risk Committee; Remuneration Committee.

Other directorships of ASX listed entities in the past three years:
- Non-Executive Director of PNX Metals Limited since April 2023
- Executive Chairman of Kin Mining NL since August 2023 and Non-Executive Director from July 2022 to July 2023
- Interim Non-Executive Chair of Wiluna Mining Corporation Limited since July 2022 and Non-Executive Director from December 2021 to July 2022

Interests in shares and performance rights over shares of the Company: 400,000 shares; 3,000,000 performance rights

Simon Lawson MSc
Managing Director and Chief Executive Officer
Appointed 13 November 2021

Mr Lawson is a geoscientist with over 18 years' experience in exploration, production and managerial roles. Prior to joining the Company, Mr Lawson was Managing Director and Chief Executive Officer of Firefly Resources Limited, following a Chief Geologist role at Superior Gold Inc.

Mr Lawson was a founding member of Northern Star Resources Limited, where he held senior geology roles, including Principal Geologist, and was a member of the team which transformed the company from junior explorer to a major global producer.

Board committee membership:
Nil.

Other directorships of ASX listed entities in the past three years:
- Non-Executive Director of Firetail Resources Limited since June 2021 (listed on the ASX in April 2022)
- Technical Director of Labyrinth Resources Limited since November 2021
- Managing Director of Firefly Resources Limited from May 2018 to November 2021

Interests in shares and performance rights over shares of the Company: 3,927,234 shares; 18,000,000 performance rights

Directors (continued)

David Coyne B.Com (Acct and Economics), CPA, GDIP (Applied Finance and Investment)
Non-Executive Director
Appointed as Company Secretary on 6 October 2020, as Finance Director on 18 November 2021 and transitioned to Non-Executive Director on 1 April 2023
Executive employment agreement as Finance Director terminated on 1 April 2023 and resigned as Company Secretary on 1 August 2023

Mr Coyne has over 30 years' experience in the mining, and engineering and construction industries, both within Australia and internationally. Prior to joining Spartan, Mr Coyne held senior executive positions with Australian listed companies Macmahon Holdings Limited, VDM Group Limited, Peninsula Energy Limited and with unlisted global manganese miner Consolidated Minerals. Over the past 15 years, Mr Coyne has been directly involved in a number of equity and debt raising transactions. Mr Coyne has previously served as a Non-Executive Director of Peninsula Energy Limited and on the Board of BC Iron Limited, where he also held the role of Chair of the Audit and Risk Committee.

Board committee membership:
Audit and Risk Committee (Chair).

Other directorships of ASX listed entities in the past three years:
- Non-Executive Director of Peninsula Energy Limited from July 2020 to October 2021

Interests in shares and performance rights over shares of the Company: 115,287 shares; 7,258,546 performance rights

John Hodder BSc, MSc, BCom
Non-Executive Director
Appointed 12 May 2023

Mr Hodder is a geologist by background and an experienced resources executive with over 30 years' experience in the mining industry specialising in funds management and private equity, most recently with Tembo Capital, a private equity resources fund, where Mr Hodder is Managing Director and a founding principal.

Mr Hodder has significant company director experience having served as a Non-Executive Director on a number of private and ASX-listed company boards in the resources sector. He currently serves as a Non-Executive Director of Strandline Resources Limited and Genmin Limited.

Board committee membership:
Remuneration Committee (Chair).

Other directorships of ASX listed entities in the past three years:
- Non-Executive Director of Strandline Resources Limited since 8 June 2016.
- Non-Executive Director of Genmin Limited since 22 May 2014 and Non-Executive Chairman from 20 December 2018 to 10 March 2021.

Interests in shares and performance rights over shares of the Company: Nil shares; Nil performance rights

Directors' report

Directors (continued)

Hansjoerg Plaggemars MBA
Non-Executive Director
Appointed 1 July 2021

Mr Plaggemars is an experienced company director specialising in corporate finance, corporate strategy and governance and has served on the Board of Directors of various international listed and unlisted companies, in a variety of industries including mining, agriculture, shipping, construction and investment. Mr Plaggemars has previously served on the Board of Deutsche Balaton AG, and is the founder of Value Consult, a management consultancy firm.

Board committee membership:
Audit and Risk Committee; Remuneration Committee.

Other directorships of ASX listed entities in the past three years:
- Non-Executive Director of Geopacific Resources Limited since July 2022
- Non-Executive Director of Wiluna Mining Corporation Limited since July 2021
- Non-Executive Director of PNX Metals Limited since November 2020
- Non-Executive Director of Altech Batteries Limited since August 2020
- Non-Executive Director of Azure Minerals Limited since November 2019
- Non-Executive Director of South Harz Potash Limited from October 2019 to December 2022.
- Non-Executive Director of Kin Mining NL since July 2019

Interests in shares and performance rights over shares of the Company: 16,916,667 shares; 3,000,000 performance rights

Company Secretary

Russell Hardwick BBus, (Acct) CPA, ACIS, GAICD
Company Secretary
Appointed 1 August 2023

Mr Hardwick is a Certified Practicing Accountant and Chartered Secretary, with over 20 years of experience in a variety of private and public companies. Mr Hardwick has extensive experience in corporate secretarial, capital raising and commercial management. He has held the positions of director or company secretary for AIM- and ASX-listed companies, as well as senior executive positions within private companies. Mr Hardwick is a graduate of the Australian Institute of Company Directors course and a member of the Governance Institute of Australia.

Prior to Mr Hardwick's appointment, Mr Coyne served as Company Secretary for the Company. Please refer to Mr Coyne's biography in the 'Directors' section above.

Principal activities

Up until 8 November 2022, the principal activities of the Group were the production of gold from the Dalgaranga Gold Project (Dalgaranga) and the exploration and evaluation of gold projects in Western Australia. On 8 November 2022, gold production was suspended and Dalgaranga transitioned to a care and maintenance basis while the Company focuses on exploration and resource growth, refer to the 'Suspension of operations' section for more information.

Directors' report

Overview

Spartan is a gold exploration and development company. The Group holds assets and exploration tenements in the Murchison and Gascoyne regions of Western Australia.

The Group's current projects include:

- gold exploration and evaluation at Dalgaranga including care and maintenance of the +2.5Mtpa processing plant;
- gold exploration and evaluation at the Yalgoo Gold Project (Yalgoo); and
- gold exploration and evaluation at the Glenburgh Gold Project (Glenburgh) and the Mt Egerton Gold Project (Mt Egerton).

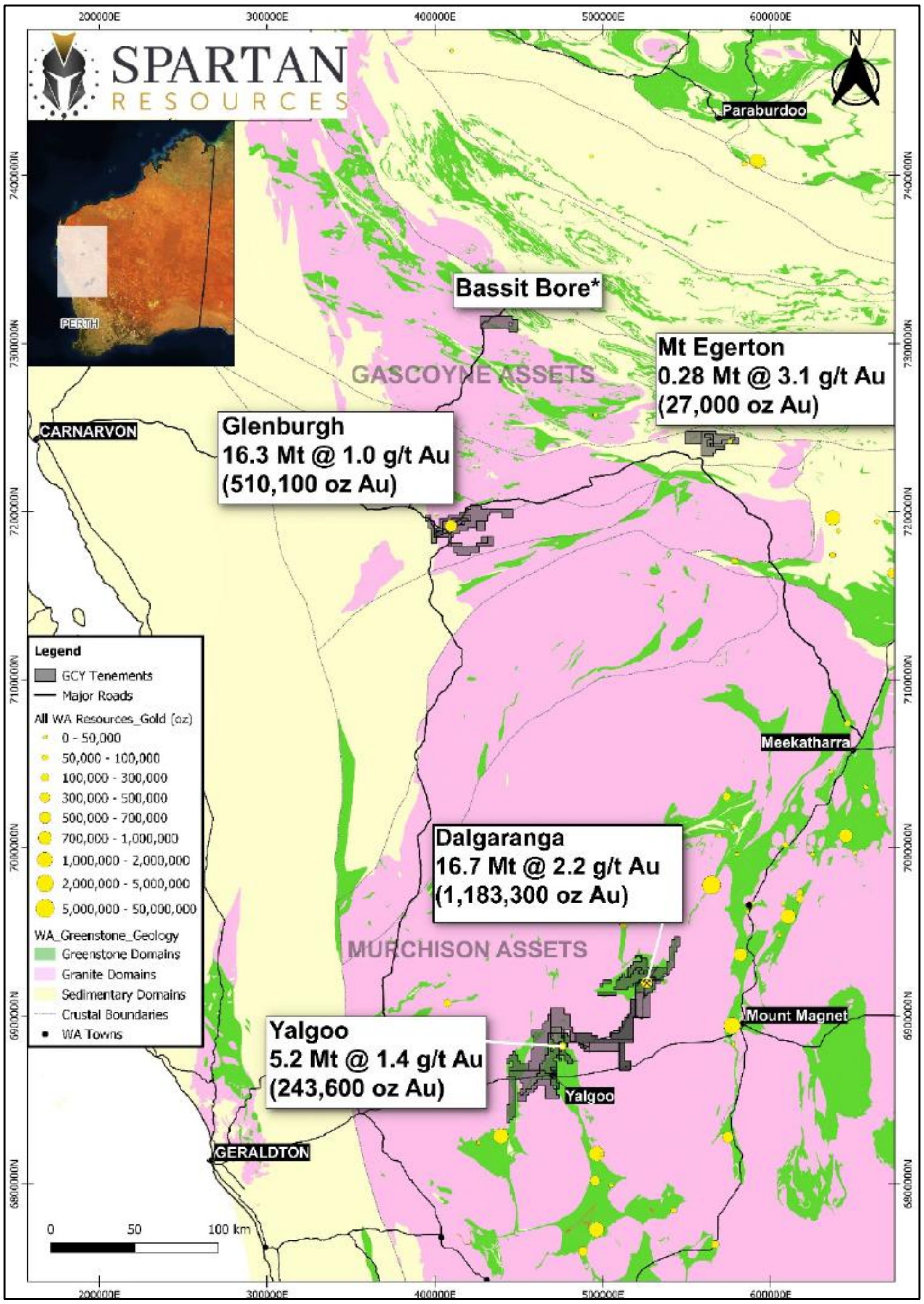


Figure 1: Spartan project locations

Directors' report

Group financial review

Financial performance

Gold sales revenue of $57.0 million (2022: $183.7 million) was generated from the sale of 22,202 ounces at an average gold price of A$2,560 per ounce sold (2022: 71,479 ounces at an average price of A$2,569 per ounce). Revenue from the sale of 14,135 ounces of silver was $0.4 million (2022: $1.0 million; 31,697 ounces). The decrease in revenue compared to the prior year is driven by a reduction in gold production as discussed in the 'Operating review' section below, as well as a marginal decrease in the average realised gold price.

Total cost of sales inclusive of depreciation and amortisation was $64.8 million (2022: $208.4 million). The $143.6 million movement in cost of sales is primarily driven by the suspension of mining and processing operations at Dalgaranga on 8 November 2022, a decrease in depreciation and amortisation expense due to the impairment of all mineral properties at 30 June 2022 and the write-off of the remaining unamortised capitalised deferred waste stripping costs related to Gilbey's Stage 3 in the prior year.

During the year, the Company also incurred $11.2 million (2022: $nil) of costs related to the financial restructure of the Company and transition of the Dalgaranga process plant and associated infrastructure to a care and maintenance state. Refer to note 5 of the financial statements for details of the costs incurred. These costs are excluded from cost of sales referred to above as they were incurred following, or as a result of, the decision to suspend operations and transition Dalgaranga to care and maintenance.

Corporate expenses for the year totalled $5.4 million (2022: $7.3 million). The decrease is primarily due to the suspension of mining and processing operations at Dalgaranga resulting in a reduction in corporate staff, directors' fees and insurance costs.

The net consolidated loss of the Group for the year was $35.1 million (2022: $81.4 million). The change from the prior year is driven by a range of factors including costs incurred as part of the financial restructure of the Company and transition of the process plant at Dalgaranga to a care and maintenance state, lower ounces of gold produced and sold at a lower average realised gold price, no mining costs capitalised to deferred waste during the current year partially offset by the suspension of mining and processing operations at Dalgaranga in November 2022.

A tax expense of $nil has been recognised by the Group for the period (2022: $0.03 million expense). As at 30 June 2023, the Group has total tax losses of $251.1 million. Refer to note 7 for further details on income tax.

The market value on the reporting date of the Group's investments in ASX-listed Firetail Resources Limited (Firetail) and E79 Metals Limited (E79) was $0.8 million.

Gold price risk management

In July 2022, the Group entered into gold forward contracts with MKS PAMP, to partially insulate the Group from increasing volatility in commodity markets. A total of 11,000 ounces of gold were hedged for delivery between July and December 2022 at an average price of A$2,555 per ounce.

On the announcement of the transition of the Dalgaranga operations to care and maintenance in November 2022, the then remaining gold forwards were closed out as per the contractual requirements for an immaterial close out cost.

At the reporting date the Group had no contractual sale commitments for gold (30 June 2022: nil ounces).

Financial position

The Group held cash and cash equivalents of $34.6 million as at 30 June 2023 (2022: $30.9 million). The market value of unsold gold on hand at 30 June 2023 was $nil (2022: $1.6 million) and the market value of investments in ASX-listed companies was $0.8 million (2022: $2.7 million). The Group's free cashflow generation reduced during the year as a result of lower ounces sold, ongoing cost escalation within the Western Australian mining industry and transition of operations at Dalgaranga to a care and maintenance basis.

The Group recorded cash outflows from operations of $23.1 million and from investing activities of $15.4 million, resulting in cash outflow of $38.5 million for the year before financing activities (2022: $9.1 million inflow), reflecting lower production following the suspension of operations at Dalgaranga in November 2022, partly offset by the deferral of certain creditor payments that were subject to settlement negotiations. Financing activities resulted in an inflow of $42.2 million (2022: $1.7 million outflow) which reflected proceeds from the $50.0 million funding package completed in the second half of the year offset by transaction related costs and lease liability payments.

Group financial review (continued)

As at 30 June 2023 the Group has a working capital surplus of $35.1 million (2022: $26.2 million surplus) which includes a cash balance of $34.6 million. The significant improvement in working capital over the year is driven by the $50.0 million funding package completed in March 2023, described further in the 'Financial restructure' section below. The Group has no corporate or project finance debt at 30 June 2023, meaning that the Group's balance sheet has been de-risked and is in a robust position. Spartan now has sufficient funding to focus on its '365' development strategy (Refer to the strategic operating section plan section below for further information on the strategy).

Financial restructure

As part of the transition to care and maintenance and the delivery of an updated operating plan, in March 2023 the Company completed a $50.0 million funding package for the implementation of its financial restructure. The key elements of the funding package and financial restructure include:

- A fully underwritten $26.3 million equity raising (Equity Raising), comprising the issue of approximately 263 million new fully paid ordinary shares in the Company at an issue price of $0.10 per New Share (Offer Price). The Equity Raising comprising:
  - An underwritten institutional placement of ~86 million New Shares to raise approximately $8.6 million (Placement); and
  - An underwritten 1-for-2.42 pro-rata accelerated non-renounceable entitlement offer of ~176 million New Shares to raise approximately $17.6 million (Entitlement Offer).

- A new strategic investment by Tembo Capital Mining Fund III (Tembo Capital), a resources focused private equity fund, of $21.3 million, structured in two tranches:
  - Tranche A: A $15.0 million secured loan mandatorily convertible to shares at an issue price of $0.10 per New Share (which is the same as the Offer Price under the Entitlement Offer and Placement);
  - Tranche B: A $6.3 million secured loan mandatorily convertible to a 1.80% gross royalty on gold produced and sold from wholly-owned Dalgaranga tenements and a 1.35% gross royalty on gold produced and sold from the remaining wholly-owned tenements for which Spartan retains the gold rights to; and
  - Mandatory conversion of both Tranches A and B occurred on 24 April 2023, following shareholder approval on 18 April 2023.

  As part of the strategic investment, Tembo Capital was granted a right to nominate one person to be appointed as a non-executive director on the Board of Spartan and access certain information of Spartan, subject to Tembo Capital maintaining an agreed holding in the Company's shares.

- An investment of $8.3 million from the Company's then largest existing shareholder, Delphi Unternehmensberatung AG, and its associates Deutsche Balaton AG, Sparta AG and 2invest AG, (Delphi), comprising:
  - Up to $5.8 million committed in the $26.3 million equity raising noted above.
  - A $2.5 million unsecured loan mandatorily convertible (upon shareholder approval) to a 0.7% gross royalty on gold produced and sold from wholly-owned tenements at Dalgaranga and a 0.5% gross royalty on gold produced and sold from the remaining wholly-owned tenements for which Spartan retains the gold rights to.

  Mandatory conversion of the unsecured loan was approved by shareholders at an Extraordinary General Meeting (EGM) held on 18 August 2023.

- A full and final settlement of all amounts owing between Spartan and NRW Holdings Limited (NRW) (and their respective group members) in respect of their existing contractual arrangements via an agreement entered into between the Company, GNT Resources Pty Ltd, NRW and NRW Pty Ltd (NRW Settlement Agreement). The material terms of the settlement included:
  - Payment of $2.0 million of the funding package proceeds in cash; and
  - The issue of 2.0 million worth of fully paid ordinary shares in Spartan at the Offer Price, following shareholder approval received at the EGM held on 18 April 2023; and

- Arrangements with certain other creditors of the Company to settle amounts, of up to $2.5 million, owed to the creditors that were incurred prior to, or as a result of, the decision to suspend operations at Dalgaranga.

Directors' report

Operating review

Dalgaranga Gold Project

Overview

The Company's flagship Dalgaranga Gold Project is located 475km north-east of Perth and approximately 65km north-west of Mt Magnet in Western Australia. With a tenement area of around 500km^2, the project covers the majority of the Dalgaranga greenstone geological belt.

The project includes a fully developed gold mining operation, including carbon-in-leach processing facility, camp and airstrip (currently on care and maintenance) and an extensive exploration land-holding with outstanding opportunities for new discoveries. Between the first gold pour in May 2018 and the end of June 2023, over 300,000 ounces of gold have been produced from Dalgaranga.

Suspension of operations

On 8 November 2022, the Company suspended open pit mining and ore processing operations at the Dalgaranga gold mine and commenced the transition of the Dalgaranga process plant to a care and maintenance basis. The decision to suspend operations was made in light of unsustainable increases in the operating cost base and a below-par operational performance which was exacerbated by industry-wide pressures including personnel and skills shortages.

Since 8 November 2022, the Company has safely wound down its operations at Dalgaranga and transitioned the process plant to a care and maintenance state under which the plant will be able to recommence operations on relatively short notice.

Strategic operating plan

Following the decision to place the Dalgaranga mining operations on care and maintenance in November 2022, the Company has developed an updated operating plan focused on the transformational Never Never discovery, which is located immediately adjacent to the Dalgaranga mill.

Following assessment of the outstanding exploration results to date, Spartan has developed an 18-month exploration and strategic plan, the '365' development strategy, targeting:

- A +300koz Au Reserve at a grade exceeding 4.0g/t Au at Never Never;
- A +600koz Au Resource at a grade exceeding 5.0g/t Au at Never Never; and
- The development of a 5-year mine plan aimed at delivering 130-150koz per annum.

This updated strategy is centred around an aggressive exploration programme at Never Never, comprising extensive reserve definition, resource expansion and near-mine exploration drilling targeting Never Never "look-alikes".

Spartan is regularly updating the MRE at Never Never approximately every six months, with the objective of ultimately delivering a maiden Never Never Ore Reserve, comprising both an open pit and underground component, in the first half of 2024.

In parallel with the Company's planned exploration program, Spartan is progressing permitting and evaluation of the satellite Yalgoo Gold Project, which is expected to provide an important source of ore feed to supplement the high-grade ore from Never Never.

Operating performance

Mining operations were suspended on 8 November 2022 and processing of selected run-of-mine (ROM) stockpiles were suspended during the second half of December 2022. In late October, prior to mining operations being suspended, open pit mining commenced at the Never Never deposit, extracting near-surface laterite ore. This ore was blended with existing Gilbey's Main and Plymouth ROM stockpiles and processed during the December 2022 quarter.

1.1 million BCM of material was mined during the year, primarily from Stage 2 of the Gilbey's Main Zone. 944,000 tonnes of ore were mined at an average grade of 0.78g/t Au. The grade reflected increased mining dilution experienced during the year due to constricted digging conditions in Stage 2 of the Gilbey's Main Zone.

An aggregate of 924,000 tonnes were processed during the year at an average feed grade of 0.79g/t Au. Gross metallurgical recovery was 84.6% which reflected the lower feed grade (due to increased mining dilution) and periodic suspension of processing between 8 November 2022 and 31 December 2022 as the plant was completing final processing runs and being prepared for a care and maintenance state.

Directors’ report

Operating review (continued)

Gold production for the year was 21,009oz and 22,202oz of gold were sold at an average realised price of A$2,560/oz. The Company did not have any outstanding gold hedges or forward contracts at the end of June 2023.

Due to the decision to suspend operations and transition the site to care and maintenance, reporting of unit costs has also been suspended by the Company until operations recommence.

Low-grade stockpiles (material mined with a grade of 0.3g/t to 0.5g/t Au) are now 2,174,000 tonnes at an average grade of 0.35g/t Au, containing approximately 24,000 ounces of gold. The Company expects that these stockpiles will be useful blending material with higher-grade ore upon the future recommencement of operations at Dalgaranga.

Directors' report

Operating review (continued)

Key operating indicators

Key operational information is summarised as follows:

Production summary	Unit	Quarter March 2022	June 2022	September 2022	December 2022	Financial year 2023	2022
Mining							
Total material movement	kbcm	1,646	879	738	362	1,099	6,412
Waste[1]	kbcm	1,356	573	497	242	739	5,149
Ore (volume)[1]	kbcm	290	306	241	119	360	1,264
Ore (tonnage)[1]	kt	750	822	647	297	944	3,403
Mined grade[1]	g/t Au	1.11	0.80	0.82	0.71	0.78	0.85
Processing							
Throughput	kt	635	667	619	305	924	2,650
Feed grade	g/t Au	1.20	0.89	0.81	0.75	0.79	0.96
Recovery	%	88.7	85.7	85.8	82.6	84.6	86.9
Recovered gold	Ounces	21,669	16,298	13,905	7,104	21,009	71,153
Poured fine gold	Ounces	21,319	16,597	13,560	7,951	21,511	71,575
Revenue summary							
Production sold	Ounces	21,260	16,882	13,950	8,180	22,129	71,479
Average price	A$/oz	2,586	2,620	2,548	2,577	2,558	2,569
Gold sales revenue	A$'000	54,987	44,227	35,538	21,076	56,613	183,655
Cost summary[2]							
Mining (net)	A$/oz	1,140	1,429	1,683			1,347
Processing	A$/oz	472	549	771			527
Site support	A$/oz	304	76	199			152
Site cash cost	**A$/oz**	**1,917**	**2,054**	**2,653**			**2,026**
Royalties	A$/oz	65	67	46			61
Sustaining capital, leases & exploration	A$/oz	112	244	395			134
Corporate allocation	A$/oz	33	32	42			28
AISC[3]	**A$/oz**	**2,127**	**2,396**	**3,135**			**2,250**
AIC[4]	**A$/oz**	**2,134**	**2,399**	**3,179**			**2,346**
Gold on hand[5]	Ounces	885	600	132	-	-	600

Note: Discrepancies in totals are a result of rounding.

1 During the September 2022 Quarter, the Company released its annual update to its Dalgaranga Mineral Resource Estimate and Ore Reserves. In this update, the cut-off grade for both the Mineral Resource Estimate and Ore Reserves were increased from 0.3g/t Au to 0.5g/t Au. "Waste", "Ore (volume)", "Ore (tonnage)" and "Mined grade" are all reported based on a 0.5g/t Au cut-off from 1 July 2022. In prior periods these items are reported based on a 0.3g/t Au cut-off and have not been restated.

2 Due to the decision on 8 November 2022 to suspend operations and commence the transition of the Dalgaranga operations to care and maintenance, reporting of unit costs has been suspended by the Company until operations recommence.

Operating review (continued)

3 All-in sustaining cost (AISC) includes mining (net of deferred waste capitalised) and processing costs, site administration, net movement in the value of site stockpiles, refining charges, sustaining exploration and capital, site rehabilitation, state government royalties and a share of corporate overheads. Capitalised stripping costs and non-sustaining exploration and capital costs are not included. AISC is a non-IFRS measure.
4 All-in cost (AIC) is the AISC plus deferred waste capitalised, plus non-sustaining exploration and capital costs. AIC is a non-IFRS measure.
5 Gold on hand as at period end.

Exploration projects – Murchison Region

Dalgaranga Gold Project

Dalgaranga comprises approximately 90% of the Dalgaranga greenstone belt. The Dalgaranga greenstone belt is a zoned belt, the southern portion of the Dalgaranga Belt is gold dominated, while the layered mafic intrusives and felsic volcanics in the northern domain are also prospective for Volcanic-Hosted Massive Sulphide base metals and pegmatite-related mineralisation in addition to gold.

The 2023 financial year has been a year of investment in Dalgaranga's future as part of a strategy aimed at identifying and delineating future sources of higher-grade ore feed within a 5km radius of the Dalgaranga process, primarily focussed on growing the exciting Never Never deposit located approximately 1km from the process plant and other previously under-drilled prospects.

The Company spent $12.9 million on exploration and resource definition activity at Dalgaranga, predominantly on the Never Never deposit.

45,498 metres of diamond, diamond tail and Reverse Circulation ("RC") drilling was undertaken during the year at Dalgaranga, with 32,487 metres drilled at Never Never, 11,053 metres at the Gilbey's Complex, and 1,958 metres at the nearby regional prospects Arc and Archie Rose.

Never Never

In February 2022, the Company announced the discovery of extensive shallow mineralisation immediately north of the Gilbey's Main Pit. The discovery was initially named "Gilbey's North" and additional drilling resources, including a diamond rig were mobilised to site during the months of February through to June 2022 to follow-up the success of the initial campaign. Results from this drilling campaign as well as during the first quarter of the 2023 financial year, confirmed a high-grade western extension to the Gilbey's North prospect as well as consistent width and continuity. The two high-grade areas are collectively known as the Never Never deposit.

Never Never represents a substantial high-grade lode system on the immediate western flank of what was originally known as the Gilbey's North prospect, located less than 1km from the 2.5Mtpa processing plant at Dalgaranga. The discovery was made following a change in drilling orientation, resulting in the discovery of a new style of mineralisation that sits roughly at right angles to the predominantly north-south orientation of most of the known deposits at Dalgaranga.

During the 2023 financial year, Spartan undertook a multi-faceted exploration program aimed at rapidly growing the initial Mineral Resource Estimate (MRE) reported at the Never Never deposit on 8 September 2022.

Two surface drilling campaigns were conducted at Never Never in late 2022, and early 2023:

First drilling campaign in late 2022

- The 2022 campaign included 65 drill holes for 12,609 metres predominantly on the shallow portion of the deposit, with some holes extending at depth displaying an increase in gold endowment and open in all directions.
- The updated MRE released in January 2023 demonstrated resource growth of 183% to 303,100 ounces, with grade increasing 99% to 4.64g/t Au with 52% of ounces classified in the higher confidence Indicated category.
- A JORC-compliant Exploration Target for Never Never was released in February 2023. Inclusive of the 303,100oz, the calculated target was *600,000 to 1,000,000*oz between *4.0Mt to 5.0Mt* within an average grade range of *4.6g/t Au to 6.2g/t Au.*

Second drilling campaign in early 2023

- A second surface drilling campaign was announced in March 2023 continuing to focus on growth at Never Never. Due to ongoing success, the initial 10,000m campaign was extended to 61 drill holes for 19,716 metres.

Exploration projects – Murchison Region (continued)

- Exceptional results were returned from lateral and depth extensions to Never Never, and the discovery of a new mineralised horizon in the hanging wall of Never Never's HG01 lode called the 'Ink' lode.
- Drill results from this program provided further validation of the scale, significance and growth potential of the Never Never discovery, with exceptional high-grade intercepts both within and outside of the January 2023 MRE envelope.
- Following completion of this drilling program, an updated MRE was released on 24 July 2023. Refer to the 'Mineral Resource Estimates and Ore Reserves' section of the Annual Report for further details.
- Post the end of the financial year, the Company announced a 25,000m surface drilling campaign targeting extensions to the Never Never deposit at depth.

Significant intercepts reported by the Company from Never Never during and after the end of the financial year include:

- 50.0m @ 6.46g/t Au from 144m, incl. 10m @ 23.7g/t Au (assays top-cut to 50g/t) – DGRC1186.
- 29.2m @ 11.09g/t Au from 449m, incl. 9.44m @ 22.26g/t Au – DGRC1183-DT (assays top-cut to 50g/t)
- 24.0m @ 6.32g/t Au from 343m, incl. 7m @ 14.69g/t Au – DGDH035
- 19.9m @ 8.12g/t Au from 451m, incl. 14.7m @ 10.46g/t Au – DGRC1204-DT
- 19.0m @ 6.49g/t Au from 471m, incl. 2m @ 29.57g/t Au – DGRC1218-DT
- 15.7m @ 13.51g/t Au from 216.3m, incl. 2.56m @ 34.14g/t Au and 5.27m @ 19.17g/t Au – DGRC1177-DT (assays top-cut to 50g/t)
- 15.0m @ 11.96g/t Au from 291m, incl. 5.9m @ 17.19g/t Au – DGRC1199-DT
- 14.4m @ 9.09g/t Au from 333.1m, incl. 6.4m @ 13.64g/t Au – DGRC1191-DT
- 14.0m @ 9.16g/t Au from 414m incl. 5m @ 15.13g/t Au – DGRC1222-DT
- 13.0m @ 8.20g/t Au from 226m, incl. 6m @ 15.7g/t Au – DGRC1181
- 12.7m @ 6.40g/t Au from 380m, incl. 4.71m @ 16.16g/t Au – DGRC1178-DT
- 10.0m @ 2.9g/t Au from 214m – DGRC1180
- 8.6m @ 4.79g/t Au from 408m, incl. 3m @ 6.97g/t Au – DGRC1213-DT

Gilbey's Complex

The Gilbey's Complex comprises the Gilbey's Main, Sly Fox and Plymouth deposits. During the financial year, 11,053 metres were drilled at the Gilbey's Complex testing high-grade shoots at the Gilbey's East Footwall and Gilbey's Main.

Drilling at the Gilbey's East Footwall indicated narrow, but higher-grade stacked lodes, while drilling at Gilbey's Main successfully identified what is now known as the Four Pillars and West Winds prospects.

Post the end of the financial year, the Company reported significant high-grade potential at the Four Pillars and West Winds prospects following reinterrogation of drilling completed in late 2022, prior to the decision to suspend mining and processing operations at Dalgaranga.

Four Pillars

Striking westward into the hanging-wall of the Gilbey's stratigraphy and situated at the northern end of the Gilbey's Open Pit, roughly 350m south of Never Never and situated southward of a major structural disruption to the Gilbey's stratigraphy, this target is supported by high-grade historic and recent resource drill results1 (see ASX:SPR announcement dated 12 December 2022), as well as historic grade control drilling and mine production reconciliation data.

A number of Mine Stope Optimiser ("MSO") shapes were defined over parts of this prospect in the past. An MSO shape is created by Mining Engineers as "potentially viable for mining" relative to the input assumptions used at the time. This prospect is open along-strike and down-plunge and has the potential to be part of both a "re-shaped" Gilbey's open-pit cutback scenario as well as an underground resource and mining scenario.

Directors' report

Exploration projects – Murchison Region (continued)

West Winds

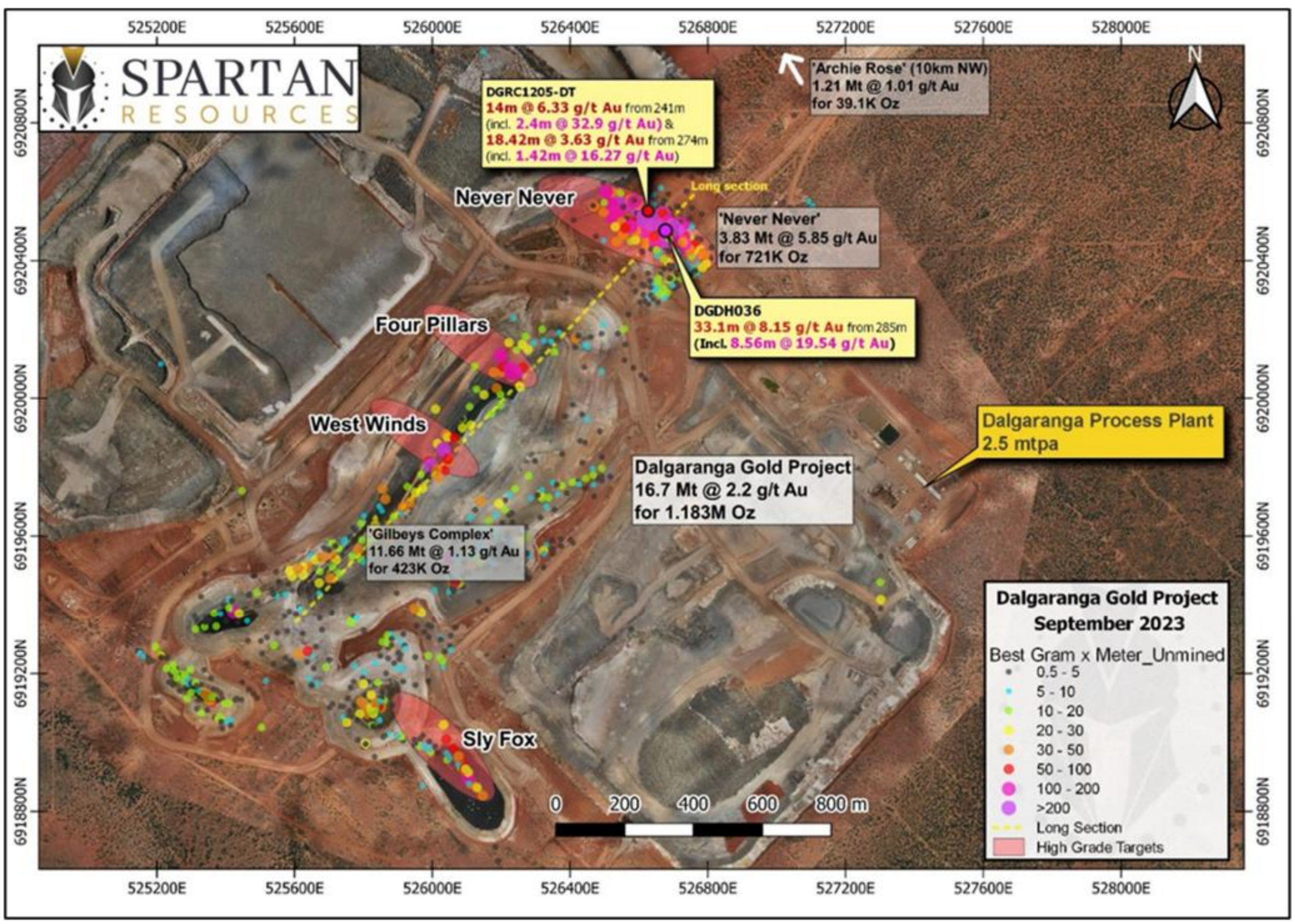
Also striking west into the hanging-wall of the Gilbey's Open Pit sequence, approximately 200m south of and parallel to the Four Pillars gold prospect, this target is also supported by historic resource drill assays, including some of the highest grade drill assays ever seen at Dalgaranga, as well as grade control drilling and historic and more recent mine production reconciliation data.

The mining of this high-grade prospect was the source of record gold production in the March 2022 Quarter2 (see ASX:SPR announcement dated 7 April 2022). This prospect is open along-strike and down plunge and has the potential to be part of both a "re-shaped" Gilbey's open-pit cutback scenario as well as an underground resource and mining scenario.

The Gilbey's Complex is currently undergoing an extensive MRE update, incorporating all drilling and mining data collected since the previous update in 2022.

Significant intercepts reported by the Company from the Gilbey's Complex after the end of the financial year include:

- 15.0m @ 11.64g/t Au from 224.00m (DGRC1161) – West Winds
- 8.0m @ 16.22g/t Au from 256.00m (DGRC1162) – West Winds
- 60.0m @ 2.35g/t Au from 141.00m (DGRC1173) – Four Pillars
- 32.0m @ 4.13g/t Au from 40.00m (DGRC1154) – Four Pillars



Dalgaranga regional exploration

In March 2023, a Sub-Audio Magnetics (SAM) ground-based survey was conducted over the Never Never Deposit and surrounds to define replica zones for precision drill targeting. The primary objective was to define the Never Never geophysical signature and image the surrounding structural architecture controlling high-grade gold mineralisation. The final interpretation and target generation are pending.

Exploration projects – Murchison Region (continued)

Prior to receiving full results of the SAM survey and following the completion of the Never Never drilling campaign in early calendar year 2023, 813 metres was drilled at the ARC prospect, 1km north-west of Never Never located on mining lease M59/749. Results were still pending at 30 June 2023.

The Archie Rose Prospect had 1,142 metres drilled to test the geological model via two lines of drilling within the MRE footprint. The prospect is located 9km north-west of the processing plant on tenement E59/2053. Results were broadly in line with the geological model with samples also collected for preliminary metallurgical test work.

Significant results include:

- 10.0m @ 2.75g/t Au from 79.00m, 5.00m @ 2.79g/t from 139.00m and 3.00m @ 3.67g/t Au from 153.00m (DGRC1237)

Yalgoo Gold Project

In November 2021, the Group completed the acquisition of Firefly by way of Scheme of Arrangement. Shortly after the completion of the acquisition and following the incorporation of the results of the additional drilling completed by Firefly prior to the acquisition, in December 2021 the Company announced a 24% increase to Yalgoo gold resources. Indicated and Inferred Resources at Yalgoo increased by 24% from the previous MRE prepared by Firefly to 5.238Mt at 1.45g/t Au for 243,613oz of gold.

The Yalgoo Gold Project is comprised of two deposits, namely the flagship Melville deposit and the Applecross deposit that is adjacent to the northern end of the Melville deposit.

Melville Gold Deposit

Prior to the acquisition, Firefly completed six diamond drill-holes at Melville to provide samples for metallurgical test work and geotechnical information to assist in open pit design.

Assay results received from the drilling reflected a number of shallow gold intersections.

Significant results include:

- 20m @ 2.1g/t Au from 57m including 8m @ 4.0g/t Au and 11.33m @ 1.4g/t Au from 85.67m
- 37m @ 1.4g/t Au from 10m, including 7m @ 4.3g/t Au from 39m
- 22.68m @ 1.0g/t Au from 39 and 11m @ 2.9g/t Au from 83m

During the year, the Company progressed a range of activities required to progress a Feasibility Study on Melville and for the Mining Proposal and Mine Closure Plans to support a possible future commencement of mining at the Melville deposit. Activities included metallurgical testwork, surface hydrological studies, waste rock characterisation studies, geotechnical analysis, fauna and flora studies and road ore haulage studies.

As at the date of this report, the Group has slowed down the rate of progress on the aforementioned studies as the Never Never deposit at Dalgaranga has taken priority as the next source of higher-grade ore.

Applecross Gold Deposit

The Applecross Gold Deposit consists of an Archaean lode-gold system intersecting an extensive structurally modified Banded-Iron-Formation which has resulted in a broad gold deposit extending to depth and mineralised from surface. Given the proximity of the Applecross deposit to the Melville deposit, Applecross may potentially be mined as an extension of future mining at Melville.

Directors' report

Exploration projects – Non-Murchison Region

During the second half of the year, the Company undertook a full strategic review of all assets located outside of the Murchison region. This resulted in the sale of Beebyn and expressions of interest in a number of other assets.

In light of the current volatility in global equity and commodity markets, the Company has elected to retain the Glenburgh / Egerton assets for the foreseeable future.

Glenburgh Gold Project

The Glenburgh Gold Project (Glenburgh) with a tenement area of around 2,000km^2, is located approximately 250km east of Carnarvon in the southern Gascoyne region of Western Australia. The project consists of a gold mineralised shear system hosted in interpreted remnants of Archean terrain in a Proterozoic mobile belt in a similar setting to the Tropicana Gold Mine. The tenement holding for Glenburgh includes one mining lease as well as a number of exploration licenses.

A programme of 19 holes for 3,031 metres of RC drilling was completed at Zone 102, Zone 126, Hurricane, NE3 and Torino Prospects was completed during the period. A Resource definition drilling program targeting known deposits is planned for the 2024 financial year.

Mt Egerton Gold Project

The Mt Egerton Gold Project (Egerton) consists of two granted mining leases and three exploration licences covering approximately 200km^2 of the Lower Proterozoic Egerton inlier in the Gascoyne Region of Western Australia.

In July 2022, a program of 17 holes for 1,434 metres of RC drilling was completed at Egerton, targeting Gaffney's Find prospect. A soil sampling program is planned for the first half of the 2024 financial year.

Directors' report

Significant changes in the state of affairs

On 8 September 2022, the Company released an updated Group Mineral Resource Estimate of 36.74Mt @ 1.16g/t Au for 1,370,800 ounces of contained gold including an initial Mineral Resource Estimate for the Never Never deposit at Dalgaranga of 1.43Mt @ 2.32g/t Au for 107,200 ounces of contained gold.

On 21 September 2022, the Company released an updated Dalgaranga Ore Reserve Estimate of 2.04Mt @ 1.10g/t Au for 72,100 ounces of contained gold.

On 25 October 2022 final regulatory approval was obtained for commencement of open pit mining at the Never Never deposit, the increase in the height of existing waste dumps and additional storage capacity for potentially acid forming waste rock.

On 8 November 2022, the Company announced the immediate suspension of mining and processing operations at Dalgaranga, with the mill to be transitioned to operating on a temporary care and maintenance basis. The transition was completed in January 2023 with the mill to be maintained in a state ready for resumption of production. Refer to note 5 for more information on restructure costs.

On 23 January 2023, the Company released an updated Mineral Resource Estimate (MRE) in accordance with JORC Code 2012 for Dalgaranga, including a significant update to the MRE for the Never Never Gold deposit to 2.03Mt @ 4.64g/t Au for 303,100 ounces of contained gold with the Group MRE increasing to 37.71Mt @ 1.3g/t Au for 1,545,800 ounces of contained gold. In this same release, the Company withdrew its Ore Reserve in its entirety.

On 27 February 2023, the Company announced it had entered into binding commitments for a $50.0 million funding package to complete its financial restructure and provide sufficient funds to support the Company's planned exploration activities, care and maintenance costs and working capital through to mid-2024. The funding package comprised a fully underwritten $26.3 million equity raising, a $21.3 million strategic investment from Tembo Capital Mining Fund III ('Tembo Capital) and a $2.5 million unsecured loan from the Company's then largest existing shareholder Delphi. Refer to the 'Financial restructure' section in the Directors' Report for more information on the funding package.

On 27 February 2023, the Company also launched the institutional component of the pro-rata accelerated, non-renounceable Entitlement Offer and Placement to sophisticated and professional investors.

On 1 March 2023 the Company confirmed successful completion of the Placement and Institutional Entitlement Offer with $17.8 million in firm commitments received. The Placement comprised the issue of approximately 86 million New Shares, to raise gross proceeds of approximately $8.6 million, and the Institutional Entitlement Offer comprised the issue of approximately 91 million New Shares, to raise gross proceeds of approximately $9.1 million. On 8 March 2023, the Company issued approximately 177.3 million new shares pursuant to the Placement and Accelerated Institutional Entitlement Offer and received gross proceeds of approximately $17.8 million.

On 1 March 2023, following the satisfaction of the conditions precedent, the Company also announced submission of the utilisation request to draw down funds from the $21.3 million Tembo Capital Investment. The Company also submitted its utilisation request to draw down the full amount of the $2.5m unsecured loan provided by Delphi. Funds drawn under both facilities were received by the Company on 3 March 2023.

On 7 March 2023, the Group remitted approximately $4 million to creditors in accordance with binding agreements to settle the cash component of all known claims and costs associated with the November 2022 decision to suspend operations and transition Dalgaranga to care and maintenance.

On 9 March 2023, shares in the Company were reinstated to trading on ASX following a period of trading suspension of approximately four months.

On 3 April 2023, the Company issued approximately 84.7 million new shares pursuant to the Accelerated Retail Entitlement Offer and received gross proceeds of approximately $8.5 million.

On 18 April 2023, following shareholder approval, the Tembo Capital Facility was converted in two tranches, $15.0 million was converted to 163 million fully paid ordinary shares in Spartan at $0.10 per share (Tranche A) and the remaining $6.3 million (Tranche B) was converted to a royalty over all 100% owned tenements. Refer to the 'Financial restructure' section in the Directors' Report for more information on those tenements that the royalty will be applied to.

On 24 April 2023 20.0 million shares were issued to NRW as part settlement of amounts owed to NRW, and 162.8 million shares were issued to Tembo Capital following conversion of debt to equity. Refer to note 19 for more information on the Tembo Capital share issue.

Directors' report

Dividends

No dividend has been paid or recommended for the current year.

Events occurring after the reporting date

On 24 July 2023, the Company released an updated Mineral Resource Estimate (MRE) of 3.83Mt @ 5.85g/t Au for 721,200 ounces of contained gold for the Never Never deposit, with the Group MRE increasing to 38.51Mt @ 1.6g/t Au for 1,964,000 ounces of contained gold.

On 18 August 2023, following shareholder approval for a replacement equity incentive plan, Classes D, E, F, and G performance rights were cancelled and replaced with new performance rights, as a result of the inability to meet vesting conditions due to the suspension of operations at Dalgaranga in November 2022.

On 24 August 2023, the Delphi unsecured loan facility was converted to a future gold royalty following shareholder approval on 18 August 2023, with the unsecured loan considered fully repaid under the terms of the Delphi loan and royalty deed.

On 29 August 2023, following shareholder approval on 18 August 2023, the Company changed its name to Spartan Resources Limited. The change of name marks the culmination of what has been a transformational period for the Company and signifies the start of a new era of growth and success.

On 29 August 2023, as part of the Australian Gold Conference Corporate Presentation, the Company noted the decision to defer development of the planned underground exploration drill drive due to cost escalation in the Western Australian mining sector and better than anticipated surface drilling campaign performance so far in 2023 which resulted in an MRE with a classification of 76% Indicated material at the Never Never deposit.

The Directors are not aware of any other matter or circumstance that has arisen since the end of the year which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group, in future years.

Future developments

The Group is focussed on the execution of its '365' development strategy announced in 27 February 2023, which includes a 12-18 month period of continued exploration and technical / financial study efforts to support a future decision to recommence mining.

Environmental regulation

The Group is subject to significant environmental regulations under laws of the Commonwealth and State in respect of its exploration, evaluation and development activities and its mining operations. The Group aspires to the highest standard of environmental management and insists its staff and contractors maintain that standard. A significant environmental incident is considered to be one that causes a major impact or impacts to land biodiversity, ecosystem services, water resources or air, with effects lasting greater than one year.

During the year, the Group continued to regularly engage with relevant regulators regarding ongoing matters as part of normal operations management.

Approval of the revision to the Dalgaranga Mining Proposal and Mine Closure Plan was received in late October 2022, allowing the commencement of open pit mining at the Never Never deposit. The approval also allowed for the commencement of construction of the GWTSF Lift, however this work was placed on hold in early November 2022.

Directors' report

Meetings of Directors

The number of meetings held during the year by the Board of Directors (Board) and Board committees, and the number of those meetings attended by each Director were:

	Board meetings		Remuneration Committee meetings		Audit and Risk Committee meetings	
	Entitled to attend[1]	**Attended**	**Entitled to attend[1]**	**Attended**	**Entitled to attend[1]**	**Attended**
R Johnston	10	10	-	-	2	2
S Lawson	10	10	-	-	-	-
D Coyne[2]	10	10	-	-	-	-
J Hodder [3]	-	-	-	-	-	-
H Plaggemars	10	10	-	-	2	2

1 In addition to the above meetings a number of meetings were dealt with by circular resolution.
2 Mr D Coyne was transitioned to Non-Executive Director on 1 April 2023, following his appointment as Finance Director on 18 November 2021.
3 Mr J Hodder was appointed as Non-Executive Director on 12 May 2023.

Gender diversity

The Board of the Company is currently comprised of five male Directors and no female Directors (100% male). Within senior executive positions of the Company, 75% of persons holding these positions are male and 25% are female. Senior executive positions are those roles that are, or directly report to, the Managing Director and Chief Executive Officer, Chief Financial Officer , General Manager – Exploration and Business Development, General Manager – Projects and Technical and General Manager – Murchison Operations & Chief Geologist. Across the whole Group, 79% of employees are male and 21% are female.

Remuneration report (audited)

The Directors of the Company present the Remuneration report for Directors and other Key Management Personnel (KMP) prepared in accordance with the *Corporations Act 2001*, the *Corporations Regulations 2001* and applicable accounting standards.

This Remuneration report is presented under the following sections:

- Key management personnel
- Remuneration governance
- Remuneration policy and framework
- Short and long term incentives
- Details of remuneration
- Service agreements
- Share-based remuneration
- Other information.

Key management personnel

The term KMP refers to those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group, as defined by AASB 124 *Related Party Disclosures*.

The Directors and other KMP of the Group during the year were:

Name	Position[1]	Term as KMP during the financial year
Directors		
R Johnston	Non-Executive Chair	Full year
S Lawson	Managing Director and Chief Executive Officer	Full year
D Coyne[2]	Non-Executive Director and Company Secretary	Full year
J Hodder	Non-Executive Director	Appointed 12 May 2023
H Plaggemars	Non-Executive Director	Full year
Other KMP		
D Baumgartel	Chief Operating Officer	Resigned 9 November 2022
T Magan	Chief Financial Officer	Full year
G Gadsby	General Manager - Murchison Operations and Chief Geologist	Appointed 1 December 2022
N Jolly	General Manager - Exploration and Development	Full year
C O'Brien	General Manager - Projects and Technical Services	Appointed 15 August 2022

1 At the reporting date or on the last day of designation as KMP.
2 Mr D Coyne transitioned to Non-Executive Director on 1 April 2023, following his appointments as Company Secretary on 6 October 2020 and Finance Director on 18 November 2021. The Finance Director role was made redundant effective 1 April 2023. Mr Coyne resigned as Company Secretary effective 1 August 2023. Mr R Hardwick was appointed as Company Secretary on 1 August 2023.

Remuneration report (audited) (continued)

Remuneration governance

The Board has an established Remuneration Committee which operates in accordance with its Charter as approved by the Board and is responsible for determining and reviewing compensation arrangements for the Directors and the Executive team.

The Remuneration Committee is responsible for assessing the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of maximising shareholder value. The payment of bonuses, equity-settled awards, and other incentive payments are reviewed by the Remuneration Committee annually having regard to performance against expectations and market conditions as part of the review of executive remuneration, and a recommendation is submitted to the Board for approval.

The Remuneration Committee may engage independent external remuneration consultants to provide advice on remuneration. No external remuneration consultants were engaged by the Group during the year.

The Remuneration Committee is comprised of Mr John Hodder as Chair and Mr Rowan Johnston and Mr Hansjoerg Plaggemars as Committee members.

Remuneration policy and framework

The principles of the Group's executive remuneration policy are to ensure that remuneration packages properly reflect the duties and responsibilities of Executives and are sufficient to attract, retain and motivate personnel of the requisite capabilities and experience. The Board reviews principles governing the Group's executive remuneration policy to ensure that these are appropriately aligned with shareholder expectations and the objectives of the Group.

The preferred remuneration structure adopted by the Group consists of the following components:

- fixed remuneration being annual salary and superannuation; and
- variable at-risk incentive remuneration comprising:
  - short-term incentives, including bonuses; and
  - long-term incentives, including employee equity-settled awards.

During the 2023 financial year, the Group was again faced with the dual challenges of increased competition for skilled personnel in the Western Australian resources sector and the decision to suspend mining and processing operations at the Dalgaranga Gold Project in November 2022 and place the mine onto care and maintenance as a result of unsustainable increases in the operating cost base and a below-par operational performance which was exacerbated by industry-wide pressures including personnel and skills shortages.

To counter these challenges, the Group continued the quarterly retention bonus scheme implemented during the 2022 financial year at a reduced rate for all Group employees, excluding the Managing Director / CEO and the Finance Director / Company Secretary. The quarterly retention bonus applies for all four quarters during the 2023 and 2024 financial years. To be eligible to receive a quarterly retention bonus, an employee, amongst other things, needs to remain employed by the Group on a payment date and must not have submitted a resignation notice on or before a payment date.

This quarterly retention bonus replaced the previously implemented short-term incentive plan (STIP) for the 2023 and 2024 financial years. A decision will be made by the Board on whether or not to extend the quarterly retention bonus incentive once an operational restart decision is made.

During the first half of the 2024 financial year, the Group granted Performance Rights to all Group employees. Vesting conditions attached to the Performance Rights are intended to align part of employee remuneration to shareholder returns and provide employees the opportunity to share in longer term value creation of the Company through part-ownership of the Company. Grant of the Performance Rights with vesting condition hurdles replaced the previous annual long-term incentive plan (LTIP) for the 2022, 2023 and 2024 financial years.

Short and long term incentives

Short-term incentives

Ordinarily, the Group would prefer to use short-term incentives (STIs) to incentivise members of KMP that are linked to defined performance measures that are aligned to specific operational and strategic plan objectives. Performance measures would typically involve the use of annual performance objectives, metrics, performance appraisals and Group values.

Remuneration report (audited) (continued)

For the financial year ended 30 June 2023, no specific operational and strategic plan objectives were used for STIs due to the implementation of the quarterly retention incentive to counter skills shortages and increased competition for personnel, as well as the decision to suspend mining and processing operations with immediate effect in November 2022 at the Dalgaranga Gold Project (Dalgaranga) and transition Dalgaranga to care and maintenance.

STIP objective

The intent of the STIP is to incentivise achievement of key annual targets that are expected to contribute to the growth in shareholder value and reward Executives for achieving those targets. Due to the nature of events during the financial year ended 30 June 2023, specific STIP objectives were not established for KMP or other employees.

Retention incentive for all employees (excluding Executive Directors)

During the financial year, the Board continued with the quarterly retention incentive implemented during the 2022 financial year, instead of the STIP for all employees with the exception of the Managing Director / Chief Executive Officer and the Finance Director / Company Secretary. The quarterly retention incentive applies for the quarters ending 31 March, 30 June, 30 September and 31 December during the 2023 calendar year.

Eligible employees may receive 5% of their annual base salary each quarter as a retention bonus payment, which is 50% less than the 10% of annual base salary provided to employees under the quarterly retention scheme implemented during the 2022 financial year. An employee commencing employment with the Group during a calendar quarter shall have their quarterly retention incentive pro-rated, and must have completed at least one (1) full calendar month of employment with the Group. To remain eligible on the payment date of each quarterly incentive, an employee must not have resigned, or submitted their notice of resignation, on or before each payment date.

In making the decision to continue the quarterly retention incentive, the Board considered the following matters:

- Increased competition for skilled resources in the Western Australian mining sector;
- Increasing base salaries across the board for employees would create an ongoing salary cost increase, whereas implementation of a quarterly retention scheme, without increasing base salaries, can be modified or even removed in the future;
- Use of a quarterly incentive could be more easily and rapidly adjusted to suit prevailing circumstances, whereas increases in base salaries are institutionalised and extremely difficult to roll back;
- Meaningful and definitive STIP targets that could be rolled out across the entire workforce were difficult to set due to material changes in the Group's operations, highlighted by the decision in November 2022 to transition Dalgaranga to care and maintenance; and
- The incentivisation amount needed to be at a level that was meaningful enough to discourage employees from accepting alternate offers of employment that had higher rates of base salary.

Continuation of the quarterly retention incentive allowed the Company to retain key skilled personnel required during the current care and maintenance period at Dalgaranga and to execute the Company's '365' development strategy. In addition, where employees have left the Group, the retention incentive has proved to be a key factor in attracting replacement personnel at a time when there is significant competition for skilled personnel within the resources sector, and the general economy as a whole.

Those KMP and employees on the quarterly retention incentive are paid the incentive within 10 calendar days after the end of each quarter.

STI performance measurement (Executive Directors)

As noted above, the quarterly retention incentive did not apply to the Executive Directors.

Other bonuses

Following completion of the $50.0 million funding package in March 2023, the Remuneration Committee assessed the performance of the Finance Director / Company Secretary in light of the achievements made by the Group in securing the $50.0 million funding package and considered the financial and operational challenges faced by the Group during the preceding nine months ended 31 March 2023. The Remuneration Committee resolved to approve a discretionary cash-based bonus amount of $50,000 (pre-tax) for the Finance Director / Company Secretary payable upon cessation of his executive employment with the Company on 31 March 2023.

Remuneration report (audited) (continued)

Details of the STI awards and quarterly retention incentive paid to and/or payable to KMP for the current year, are as below:

KMP	Maximum STI opportunity[1] %	STI achieved[2] %	STI awarded[3] $
S Lawson	40%	0%	-
D Coyne	30%	20%	50,000
D Baumgartel	30%	N/A	76,126
T Magan	30%	30%	79,500
G Gadsby	20%	23%	34,000
N Jolly	20%	30%	76,250
C O'Brien	30%	24%	81,000

1 Maximum percentage of KMP's base salary, excluding superannuation as specified in the contract of employment for each KMP member. The percentage assigned to each KMP is dependent on the individual KMP's role within the Group. The Board reserves the right to award a higher percentage.
2 For D Coyne, the STI achieved percentage is based on the discretionary STI amount awarded by the Board. For D Baumgartel, the STI achieved percentage is based on the September 2022 and December 2022 quarterly retention incentive amounts. For the rest of the KMPs, the STI achieved percentage is based on the September 2022, December 2022, March 2023 and June 2023 quarterly retention incentive amounts.
3 Award excludes compulsory superannuation contributions (if applicable).

Long-term incentives

The Board considers that long-term incentives (LTIs) should form a key component of total annual remuneration of Executives, KMP and other eligible employees (collectively Eligible Participants), which can be achieved by setting a significant portion of total annual remuneration 'at risk' to better align interests with those of shareholders to encourage the production of long-term sustainable growth and to assist with retention.

The Board recognises that to preserve shareholder value it must operate a long-term remuneration structure which ensures Eligible Participants are attracted, retained and motivated by the Group.

For the financial year ended 30 June 2023, the Group had in place an LTI structure that awarded performance rights (rights) based on the outcome of performance rights' hurdles aligned to activities that underpinned the Group's longer term objectives. Once awarded, the rights would automatically vest to the Eligible Participant in two equal tranches one and two years later. The rights were issued for nil consideration and contain service and performance conditions. Any unvested rights lapse on the date of cessation of employment, subject to the discretion of the Board and the terms of the Company's SPR Equity Incentive Plan Rules (Incentive plan).

During the financial year ended 30 June 2022, the Group awarded Eligible Participants rights based on three vesting conditions, replacing the LTI structure used for the year ended 30 June 2021. Vesting conditions for the rights are aligned to outcomes that are expected to result in increases in shareholder value.

Two of the three vesting hurdles upon which the 2022 financial year replacement LTI structure were based, related directly to a Company engaged in the production of gold, with the third being linked to the share price of the Company. As a result of the decision to suspend mining and processing operations with immediate effect at Dalgaranga and transition it to care and maintenance in November 2022, two of the three vesting hurdles linked to a gold production company could no longer be met.

In order to re-align the Company's equity incentive structure and to reflect the new strategy aimed at taking the Company through to making a decision to restart mining operations and recommence gold production, at the Extraordinary General Meeting (EGM) held on 18 August 2023, shareholders approved a replacement equity incentive scheme for employees and Directors consisting of five tranches based on vesting hurdles related to the Company's updated operational strategy. Previous unvested performance rights from prior schemes were cancelled following shareholder approval on 18 August 2023.

LTIP objective

The intent of the LTIP is to support long-term business strategy and value creation, and reward sustained performance in achieving long-term growth in shareholder value.

Remuneration report (audited) (continued)

LTI award

During the financial year ended 30 June 2023, an aggregate of 3,100,000 rights were granted to Eligible Participants, including KMP.

The determination of the number of rights granted is based on the Eligible Participant's role within the Group and the contribution that they are expected to make toward achieving the longer-term objectives of the Group. The aggregate number, by rights class and vesting conditions, are shown in the table below.

As a result of the decision to suspend mining and processing operations with immediate effect at Dalgaranga and transition it to care and maintenance in November 2022, vesting hurdles linked to Class D and E below can no longer be met. Following the approval of a replacement equity incentive scheme by shareholders on 18 August 2023, all performance rights awarded in 2023 and 2022 under Classes D, E and F have been cancelled and replaced by the award of five tranches of performance rights under the replacement equity incentive plan that is more closely aligned to the Company's new strategy aimed at taking the Company through to making a decision to restart mining operations and recommence gold production.

Class of right	Number granted	Vesting condition[1]
Class D	1,033,330	*Eligible Participants (excluding Executive Directors)* During the 3 year period commencing 13 November 2021 through to 12 November 2024, the Class D rights shall vest when, during a rolling 12 month period, the weighted average recovered grade of production from Dalgaranga is equal to or exceeds 0.8 grams per tonne of gold.
Class E	1,033,330	*Eligible Participants (excluding Executive Directors)* During the 3 year period commencing 13 November 2021 through to 12 November 2024, the Class E rights shall vest when, during a rolling 12 month period, total production from the Dalgaranga process plant exceeds 75,000 ounces of gold.
Class F	1,033,340	During the 3 year period commencing 13 November 2021 through to 12 November 2024, the Class F rights shall vest when the Spartan share price is equal to or exceeds A$0.55 per share on a 30-day volume weighted average price basis.

1 Class D, E and F rights expire on 30 June 2033 and have been cancelled and replaced with new performance rights, following shareholder approval on 18 August 2023 for a replacement equity incentive plan.

Details of rights granted as remuneration to KMP during the year are as follows:

2023 KMP	Class of right[1]	Grant date	Maximum LTI opportunity[2] %	Rights granted No.	Grant date fair value $/right
C O'Brien	D	12 August 2022	30%	500,000	0.27
	E	12 August 2022		500,000	0.27
	F	12 August 2022		500,000	0.16

1 Class D, E and F rights were eligible to vest on or before 12 November 2024, expire on 30 June 2033 and have been cancelled and replaced with new performance rights in September 2023, following shareholder approval on 18 August 2023 for a replacement equity incentive plan.
2 Maximum LTI opportunity represents the maximum annual percentage contained in the employment contract for each Eligible Participant. The Board retains discretion to award a higher percentage value in any one year if the award is intended to replace LTIs that may otherwise be eligible for earning in subsequent years.

Remuneration report (audited) (continued)

Statutory performance indicators

The Company aims to align KMP remuneration to its strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the Group's financial performance over the last five financial years as required by the *Corporations Act 2001*. However, these are not necessarily consistent with the specific measures in determining the variable amounts of remuneration to be awarded to KMP. As a consequence, there may not always be a direct correlation between the statutory key performance indicators and the variable remuneration awarded.

Statutory key performance indicator	2023	2022	2021	2020	2019
Profit/(loss) per share (cents)[1]	(6.5)	(23.9)	(22.8)	4.0	(371.0)
Dividends (cents per share)	-	-	-	-	-
Net profit/(loss) ($'000)	(35,136)	(81,378)	(44,130)	1,989	(107,105)
Share price[2]	$0.175	$0.245	$0.300	$0.039	$0.039

1 Profit/(loss) per share has been restated for the years ended 30 June 2019 and 30 June 2020 to account for the effect of the 1-for-20 share consolidation undertaken in the year ended 30 June 2021.

2 Closing share price at 30 June (or the last trading day immediately before) for the relevant year, other than for years ended 30 June 2019 and 30 June 2020, where the closing price is at the last trading day before suspension from official quotation on 3 June 2019, following the voluntary appointment of Administrators on 2 June 2019.

Details of remuneration

Non-Executive Director remuneration

Non-Executive Directors are remunerated by fees determined by the Board within the aggregate Directors' fee pool limit as approved by shareholders, currently $450,000. Total Non-Executive Directors' fees paid during the year was $306,810. In setting the fees, account is taken of the responsibilities inherent in the stewardship of the Company and the demands made of Directors in the discharge of their responsibilities. Advice is taken from independent consultancy sources where appropriate, to ensure remuneration accords with market practice. The Group has largely adopted the ASX Corporate Governance Principles and decided to remunerate its Non-Executive Directors on an ongoing basis with no accrual or entitlement to a retirement benefit, save as for statutory superannuation contributions to Australian resident Non-Executive Directors.

On 1 June 2023, the annual fees to be paid to Non-Executive Directors was reduced. The base fee (before superannuation contributions, if applicable) paid to the Non-Executive Chair was reduced from $140,000 per annum to $120,000 per annum, a reduction of 14%. The base fee (before superannuation contributions, if applicable) paid to Non-Executive Directors was reduced from $120,000 per annum to $70,000 per annum, a reduction of 42%.

In conjunction with the reductions in Non-Executive Director fees, a replacement equity incentive scheme applying to both Directors and employees was approved by shareholders at the EGM held on 18 August 2023. The revised equity incentive scheme is linked to major deliverables from the Company's '365' development strategy and aligns equity reward more closely with appreciation in shareholder value.

Remuneration report (audited) (continued)

Details of the nature and amount of each element of remuneration of each Director and other KMP of the Group, measured in accordance with Australian Accounting Standards, are presented in the table below:

2023	Short-term employee benefits			Long-term employee benefits	Post-employment benefits	Share-based payments[1]	Total	Performance related[2]
	Salary and fees[3]	Non-monetary benefit	Bonus[4]	Movement in accrued leave[5]	Super-annuation	Shares, options and performance rights		
	$	$	$	$	$	$	$	%
Directors								
R Johnston	138,333	-	-	-	14,525	-	152,858	-
S Lawson	375,000	-	-	29,533	27,000	497,539	929,072	54%
D Coyne[6]	572,285	-	50,000	(41,593)	18,750	776,627	1,376,069	56%
J Hodder[7]	12,285	-	-	-	-	-	12,285	-
H Plaggemars	115,833	-	-	-	-	-	115,833	-
	1,213,736	-	50,000	(12,060)	60,275	1,274,166	2,586,117	
Other KMP								
D Baumgartel[8]	369,042	-	76,126	(39,149)	21,404	870,106	1,297,529	67%
T Magan	267,500	-	79,500	23,541	27,000	146,891	544,432	27%
G Gadsby[9]	148,750	-	34,000	(19,126)	15,619	61,832	241,075	26%
N Jolly	252,212	-	76,250	6,506	27,232	146,916	509,116	29%
C O'Brien[10]	334,510	-	81,000	29,842	27,500	136,188	609,040	22%
	1,372,014	-	346,876	1,614	118,755	1,361,933	3,201,192	
	2,585,750	**-**	**396,876**	**(10,446)**	**179,030**	**2,636,099**	**5,787,309**	

1 Share-based payments represent the fair value of granted shares, options and rights over the vesting period, recognised as an accounting expense during the year.
2 Calculated as the total of 'Bonus' plus 'Share-based payments' divided by 'Total' remuneration, reflecting the percentage of at-risk performance-tested remuneration. For KMP that have received quarterly retention incentives (D Baumgartel, G Gadsby, N Jolly, T Magan and C O'Brien), the amount of the quarterly retention incentive included within 'Bonus' has been treated as not at risk for the purpose of the percentage of at-risk performance-tested remuneration.
3 Salary and fees include eligible termination payments on cessation of employment with the Group.
4 Includes the retention incentive bonus earned during the year for D Baumgartel, G Gadsby, N Jolly, T Magan and C O'Brien. For further information, refer to the 'Retention incentive for all employees (excluding Executive Directors)' section above in this Remuneration report. For D Coyne, the bonus earned during the year is based on the discretionary STI amount awarded by the Board.
5 Benefits for movement in accrued leave represent the movements in the annual leave and long service leave provisions. Amounts are net of leave taken, therefore they may be negative where KMP have taken more leave than accrued during the year, when accrued leave is paid as part of final salary payments or when accrued long service leave is forfeited when an employee resigns before they reach the date where they are entitled to take long service leave.
6 Mr D Coyne transitioned to Non-Executive Director on 1 April 2023 following his appointments as Company Secretary on 6 October 2020 and Finance Director on 18 November 2021. The Finance Director role was made redundant effective 1 April 2023. Mr Coyne was paid a termination benefit of $242,893 in accordance with his employment agreement. Mr Coyne's unvested performance rights held at the time of termination vested upon contract termination. Mr Coyne resigned as Company Secretary effective 1 August 2023.
7 Mr J Hodder was appointed as a Non-Executive Director on 12 May 2023. Mr J Hodder does not receive any directors fees in his personal capacity, the fees are paid directly to Tembo Capital Mining GP III Ltd.
8 The Chief Operating Officer role was made redundant effective 9 November 2022. Mr Baumgartel was paid a termination benefit of $233,709 in accordance with his employment agreement.
9 Mr G Gadsby was appointed as General Manager - Murchison Operations and Chief Geologist on 1 December 2022.
10 Mr C O'Brien was appointed as General Manager - Projects and Technical Services on 15 August 2022.

Directors' report

Remuneration report (audited) (continued)

2022

	Short-term employee benefits			Long-term employee benefits	Post-employment benefits	Share-based payments[1]	Total	Performance related[2]
	Salary and fees[3]	Non-monetary benefit	Bonus[4]	Movement in accrued leave[5]	Super-annuation	Shares, options and performance rights		
	$	$	$	$	$	$	$	%
Directors								
R Johnston[6]	126,470	-	-	-	12,647	-	139,117	-
G Bauk[7]	74,242	-	-	-	7,424	-	81,666	-
S Lawson[8]	240,625	21,304	90,000	4,720	17,325	313,518	687,492	59%
R Hay[9]	589,097	-	-	(39,968)	25,000	117,658	691,787	17%
D Coyne	379,688	-	90,000	18,407	25,000	328,018	841,113	50%
H Plaggemars[10]	120,000	-	-	-	-	-	120,000	-
	1,530,122	21,304	180,000	(16,841)	87,396	759,194	2,561,175	
Other KMP								
D Baumgartel	379,688	-	90,000	17,033	25,000	322,324	834,045	39%
T Magan	246,189	-	52,000	19,382	27,000	94,934	439,505	22%
J Goldsworthy[11]	273,366	-	-	(69,512)	17,920	-	221,774	-
N Jolly[12]	104,167	-	41,111	4,813	12,028	60,376	222,495	27%
	1,003,410	-	183,111	(28,284)	81,948	477,634	1,717,819	
	2,533,532	**21,304**	**363,111**	**(45,125)**	**169,344**	**1,236,828**	**4,278,994**	

1 Share-based payments represent the fair value of granted shares, options and rights over the vesting period, recognised as an accounting expense during the year.
2 Calculated as the total of 'Bonus' plus 'Share-based payments' divided by 'Total' remuneration, reflecting the percentage of at-risk performance-tested remuneration. For KMP that received quarterly retention incentives (D Baumgartel, N Jolly and T Magan), the amount of the quarterly retention incentive included within 'Bonus' has been treated as not at risk for the purpose of the percentage of at-risk performance-tested remuneration.
3 Salary and fees include eligible termination payments on cessation of employment with the Group.
4 Includes the retention incentive bonus earned during the year for D Baumgartel, N Jolly and T Magan. For further information, refer to the 'Retention incentive for all employees (excluding Executive Directors)' section above in this Remuneration report.
5 Benefits for movement in accrued leave represent the movements in the annual leave and long service leave provisions. Amounts are net of leave taken, therefore they may be negative where KMP have taken more leave than accrued during the year, when accrued leave is paid as part of final salary payments or when accrued long service leave is forfeited when an employee resigns before they reach the date where they are entitled to take long service leave.
6 Mr R Johnston was appointed as Non-Executive Director on 5 August 2020, as Interim Non-Executive Chair on 31 January 2022 and Non-Executive Chair on 31 March 2022.
7 Mr G Bauk resigned on 31 January 2022.
8 Mr S Lawson was appointed as Non-Executive Director on 10 November 2021 and as Managing Director and Chief Executive Officer on 13 November 2021. Mr Lawson received a non-monetary benefit comprising a reportable fringe benefit relating to the provision of a Company motor vehicle of $21,304 in accordance with his employment agreement.
9 Mr R Hay resigned on 13 November 2021. Mr Hay received equity-settled remuneration of $117,658 on 28 January 2022, following shareholder approval on 20 January 2022. Mr Hay was paid a termination benefit of $350,000 comprised of $275,000 in accordance with his employment agreement and an ex-gratia award of $75,000.
10 Mr H Plaggemars was appointed as a Non-Executive Director on 1 July 2021.
11 Mr J Goldsworthy resigned on 22 December 2021. Mr Goldsworthy was paid a termination benefit of $90,895 in accordance with his employment agreement.
12 Mr N Jolly was appointed as General Manager - Business Development on 1 February 2022.

Directors' report

Remuneration report (audited) (continued)

Service agreements

Remuneration and other terms of employment for Executive Directors and other KMP are formalised in service agreements. The major provisions of the agreements relating to remuneration as at the date of this report or on the last day of designation as Executive Director and other KMP are presented below.

KMP	Position	Base salary[1]	Term of agreement	Company and employee notice period
S Lawson[2]	Managing Director and Chief Executive Officer	$402,000 p.a.	Unspecified	Nine and three months
D Coyne[3]	Finance Director and Company Secretary	$405,625 p.a.	Unspecified	Six and three months
D Baumgartel[4]	Chief Operating Officer	$405,625 p.a.	Unspecified	Six and three months
T Magan	Chief Financial Officer	$302,500 p.a.	Unspecified	Six and three months
G Gadsby[5]	General Manager - Murchison Operations and Chief Geologist	$282,500 p.a.	Unspecified	Three and two months
N Jolly	General Manager - Exploration and Development	$290,000 p.a.	Unspecified	Three and two months
C O'Brien[6]	General Manager - Projects and Technical Services	$387,500 p.a.	Unspecified	Six and three months

1 Inclusive of superannuation entitlement.
2 Mr S Lawson has been supplied with a Company vehicle for the purposes of travelling to and from the Company's corporate office, its project sites and any other locations required to perform his duties under his employment agreement. Under the agreement the Company bears the cost of the fringe benefits tax costs associated with the provision of the vehicle.
3 Mr D Coyne transitioned to Non-Executive Director on 1 April 2023, following his appointments as Company Secretary on 6 October 2020 and Finance Director on 18 November 2021. The Finance Director role was made redundant effective 1 April 2023. Mr Coyne resigned as Company Secretary effective 1 August 2023.
4 The Chief Operating Officer role was made redundant on 9 November 2022.
5 Mr G Gadsby was appointed as General Manager - Murchison Operations and Chief Geologist on 1 December 2022.
6 Mr C O'Brien was appointed as General Manager - Projects and Technical Services on 15 August 2022.

Short-term incentives

Performance and retention bonuses

Refer to the 'Short-term incentives' section above in this Remuneration report for details of STI cash bonuses and quarterly retention incentives awarded during the year.

Share-based remuneration

Long-term incentives

Long-term incentive plans were re-introduced during financial year ended 30 June 2021. At the EGM held on 18 August 2023, shareholders approved a replacement equity incentive scheme for employees and directors.

Performance rights

Granted performance rights

Refer to the 'Long-term incentives' section above in this Remuneration report for details of LTI rights awards granted during the year.

Rights are granted to eligible employees under the Company's SPR Equity Incentive Plan Rules (Incentive plan) as part of their remuneration. Each right entitles the employee to receive one fully paid ordinary share in the Company, for nil consideration on exercise, after vesting.

The rights may contain performance conditions and/or service conditions that are required to be met in order for granted rights to vest to employees. Refer to the 'Long-term incentives' section above in this Remuneration report for details of the vesting conditions for each class of rights issued by the Company during the year.

Remuneration report (audited) (continued)

Rights may be exercised from the vesting date until expiry and are not transferrable. The employee may only exercise the rights by submitting a written notice of exercise to the Board of Directors.

The rights refer to rights over ordinary shares in the Company, which are exercisable on a one-for-one basis under the terms of the Incentive plan rules. The rights are provided at no cost to the recipients.

Unvested rights are forfeited within 30 days of cessation of the employee's employment, subject to Board discretion. Rights which have vested but not exercised lapse on their expiry date. The rights carry no dividend or voting rights and do not entitle the holder to participate in any share issue of the Company other than on exercise of the right.

There has been no alteration of the terms and conditions of the above rights since grant date.

Unvested performance rights under Classes D, E, F and G awarded on 14 December 2021, 20 January 2022, 11 July 22 and 12 August 2022 were cancelled and replaced with new rights on 8 September 2023, following shareholder approval on 18 August 2023 for a replacement equity incentive plan.

The terms and conditions of outstanding rights over ordinary shares granted as compensation to KMP outstanding at the reporting date are:

Grant date	Grant date fair value $/right	Exercise price $	Vesting and exercisable date(s)	Expiry date(s)
26 March 2021[1]	$0.525	$nil	1 July 2022 / 1 January 2023	30 June 2032 / 31 December 2032
10 September 2021[1]	$0.320	$nil	30 June 2022 / 2023	30 June 2032 / 2033
14 December 2021[2]	$0.273	$nil	12 November 2024	30 June 2033
20 January 2022[3]	$0.249	$nil	12 November 2024	30 June 2033
11 July 2022[2]	$0.228	$nil	12 November 2024	30 June 2033
12 August 2022[2]	$0.232	$nil	12 November 2024	30 June 2033

1 The rights contain a service condition, vesting in two equal tranches of 50% on each of the vesting dates listed.

2 The rights comprise three tranches. Tranches 1 and 2 contain non-market performance conditions, based on the delivery of a minimum ore grade and total gold ounce production target at Dalgaranga over a rolling 12 month period. Tranche 3 contains a market condition based on a 30-day VWAP share price target of $0.550. As a result of the inability to meet Tranches 1 and 2 due to the suspension of operations at Dalgaranga in November 2022, these rights have been cancelled and replaced with new rights, following shareholder approval on 18 August 2023 for a replacement equity incentive plan.

3 The rights comprise three tranches. Tranches 1 and 2 contain non-market performance conditions, based on the delivery of minimum ore mining volumes at minimum grades on non-Gilbey's deposits. Tranche 3 contains a market condition based on a 60-day VWAP share price target of $0.600. As a result of the inability to meet Tranches 1 and 2 due to the suspension of operations at Dalgaranga in November 2022, these rights have been cancelled and replaced with new rights, following shareholder approval on 18 August 2023 for a replacement equity incentive plan.

Remuneration report (audited) (continued)

Performance rights held by KMP

The rights held by KMP at the reporting date are summarised as follows:

Grant year:	2021	2022	2022	2022	2023	2023	
Grant date:	**26 Mar 2021**	**10 Sep 2021**	**14 Dec 2021[1]**	**20 Jan 2022[1]**	**22 Jul 2022[1]**	**12 Aug 2022[1]**	**Balance**
KMP							
S Lawson	-	-	-	6,000,000	-	-	6,000,000
D Coyne[2]	200,000	308,546	-	3,750,000	-	-	4,258,546
T Magan	-	89,114	1,500,000	-	-	-	1,589,114
G Gadsby	-	150,552	500,000	-	500,000	-	1,150,552
N Jolly	-	-	1,500,000	-	-	-	1,500,000
C O'Brien	-	-	-	-	-	1,500,000	1,500,000

1 As a result of the inability to meet the two of three vesting hurdles attached to these performance rights, due to the suspension of operations at Dalgaranga in November 2022, these rights have been cancelled and replaced with new rights, following shareholder approval on 18 August 2023 for a replacement equity incentive plan.

2 As a result of Mr Coyne's Finance Director role being made redundant effective 1 April 2023, all of the performance rights awarded to him under the grant dates noted in the table vested on 1 April 2023.

The following table discloses details of movements in rights over ordinary shares in the Company held during the year by KMP of the Group.

2023					At end of year			
KMP Grant year	Balance at start of year No.	Granted as remuneration No.	Exercised No.	Forfeited/ Net other change No.	Balance at end of year No.	Vested and exercisable No.	Unvested No.	Vested during the year No.
S Lawson								
2022	6,000,000	-	-	-	6,000,000	-	6,000,000	-
D Coyne								
2022	4,058,546	-	-	-	4,058,546	4,058,546	-	3,904,273
2021	200,000	-	-	-	200,000	200,000	-	200,000
D Baumgartel[1]								
2022	4,058,546	-	(4,058,546)	-	-	-	-	3,904,273
2021	200,000	-	(200,000)	-	-	-	-	200,000
T Magan								
2022	1,589,114	-	-	-	1,589,114	89,114	1,500,000	44,557
G Gadsby[2]								
2023	-	500,000	-	-	500,000	-	500,000	-
2022	650,552	-	-	-	650,552	150,552	500,000	75,276
N Jolly								
2022	1,500,000	-	-	-	1,500,000	-	1,500,000	-
C O'Brien								
2023	-	1,500,000	-	-	1,500,000	-	1,500,000	-

1 Mr Baumgartel's role was made redundant during the year.

2 Mr Gadsby held 1,150,552 rights prior to his appointment as General Manager - Murchison Operations and Chief Geologist on 1 December 2022.

Remuneration report (audited) (continued)

Exercised performance rights

4,258,546 performance rights granted as part of KMP remuneration were exercised in the current year.

Share options

No options were granted as remuneration to KMP during the current year, or were exercised in the current year. There were no options held by KMP at the end of, or during, the current year.

Other information

Shares held by KMP

The following table discloses details of ordinary shares in the Company held during the year by KMP of the Group, including their related parties.

2023	Balance at start of year No.	Granted as remuneration No.	Share purchase[1] No.	Received on exercise of performance rights No.	Net other change No.	Balance at end of year No.	Balance held nominally No.
Directors							
R Johnston	-	-	400,000	-	-	400,000	400,000
S Lawson	3,827,234	-	100,000	-	-	3,927,234	-
D Coyne	74,999	-	40,288	-	-	115,287	42,397
J Hodder	-	-	-	-	-	-	-
H Plaggemars[2]	-	-	16,916,667	-	-	16,916,667	250,000
Other KMP							
D Baumgartel[3]	-	-	-	-	-	-	-
T Magan	6,000	-	2,474	-	-	8,474	-
G Gadsby	-	-	-	-	-	-	-
N Jolly	-	-	719,990	-	-	719,990	719,990
C O'Brien	-	-	-	-	-	-	-
	3,908,233	**-**	**18,179,419**	**-**	**-**	**22,087,652**	**1,412,387**

1 All shares were acquired through on-market purchases, participation in the Spartan Entitlements Offer or subscription under the placement approved by Shareholders at the extraordinary meeting held on 18 April 2023.
2 2Invest AG, of which Mr Plaggemars is the sole Managing Director, holds 16,666,667 shares in the Company.
3 Mr Baumgartel's role was made redundant during the year.

Other transactions with KMP

Mr S Lawson is a Director of Firetail Resources Limited (Firetail) and has the capacity to significantly influence decision making of Firetail. The Company holds a 7.57% share interest in Firetail, on the same basis as other shareholders.

Transactions between the Group and Firetail during the year were based on normal commercial terms and conditions and are considered to be trivial in nature.

There were no other transactions between the Company and KMP during the year.

Voting and comments made at the Company's last Annual General Meeting

At the Company's 2022 Annual General Meeting (AGM) 95.6% of the votes cast in relation to the resolution to adopt the 2022 Remuneration report were cast in favour of the resolution. The Company did not receive any specific feedback at the AGM on its Remuneration report.

End of audited Remuneration report.

Directors’ report

Shares under option

There are no unissued ordinary shares of the Group under options at the date of this report. No options were granted, and there were no shares issued upon the exercise of options, during and since the end of the year.

Refer to the Remuneration report and note 28 for information on rights over unissued ordinary shares.

Indemnification and insurance of Officers

The Company has entered into deeds of indemnity, insurance and access with each Director and Executive Officer. Each deed contains a right of access to certain books and records of the Group for a period of seven years after the Director or Executive Officer ceases to hold office. This seven-year period is extended where certain proceedings or investigations commence during the seven-year period but are not resolved until later.

Pursuant to the Company’s Constitution, the Group must indemnify Directors and Executive Officers on a full indemnity basis and to the full extent permitted by law against all losses, liabilities, costs, charges and expenses incurred by those individuals as Officers of the Group. Under the deeds of indemnity, insurance and access, the Company indemnifies each Director and Executive Officer on a full indemnity basis and to the full extent permitted by law, against all losses or liabilities (including all reasonable legal costs) incurred by the Director as an Officer of the Group.

On 22 July 2022 the Company paid an insurance premium to insure all of the Directors and Officers of the Group.

The liabilities insured include legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Officers in their capacity as Officers of the Group, and any other payments arising from liabilities incurred by the Officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the Officers or the improper use by the Officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group. Under the deeds of indemnity, insurance and access, the Company must maintain such insurance for each Director and Executive Officer until a period of seven years after a Director or Executive Officer ceases to hold office. This seven-year period is extended where certain proceedings or investigations commence during the seven-year period but are not resolved until later.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

The Company may decide to employ the auditor Grant Thornton Audit Pty Ltd and related entities on assignments additional to their statutory audit duties where the auditor’s expertise and experience with the Company and/or the Group are important. No non-audit services were provided to the Group by the Group’s auditor for the year ended 30 June 2023 (2022: $nil). Details of the amounts paid or payable to the auditor for audit services provided during the year are disclosed in note 29.

Auditor’s independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is attached to and forms part of this Directors’ report.

Rounding of amounts

The Company has relied on the relief provided by the *ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191*, and therefore the amounts contained in the Directors’ report and the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

Directors' report

This report is made in accordance with a resolution of the Directors.

Rowan Johnston
Non-Executive Chair
Perth
28 September 2023

Grant Thornton Audit Pty Ltd
Level 43 Central Park
152-158 St Georges Terrace
Perth WA 6000
PO Box 7757
Cloisters Square
Perth WA 6850

T +61 8 9480 2000

Auditor's Independence Declaration

To the Directors of Spartan Resources Limited (formally Gascoyne Resources Limited)

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Spartan Resources Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B P Steedman
Partner – Audit & Assurance

Perth, 28 September 2023

Grant Thornton Audit Pty Ltd
Level 43 Central Park
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Independent Auditor’s Report

To the Members of Spartan Resources Limited (formally Gascoyne Resources Limited)

Report on the audit of the financial report

Opinion

We have audited the financial report of Spartan Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors’ declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group’s financial position as at 30 June 2023 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Group recorded a net loss after tax of $35.1 million, an operating cash outflow of $23.1 million and net cash outflow (before financing activities) of $38.5 million. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Borrowings and other financial liabilities – notes 17 and 12</td></tr>
<tr><td>In February 2023, the Group completed its funding package and was re-instated to the ASX. The funding package comprised a $26.3 million equity raising, a $21.3 million investment from Tembo Capital Mining Fund III and a $2.5 million loan from Deutsche Balaton Aktiengesellschaft (‘Delphi’).

The $21.3 million debt facility comprised of; (i) Tranche A: $15.0 million secured loan with mandatory conversion to fully paid ordinary shares at $0.10 per share; and (ii) Tranche B: $6.3 million secured loan to mandatorily conversion to a gold royalty, both of which have been exercised by balance date.

The remaining $2.5 million unsecured loan is mandatorily convertible upon shareholder approval to a future gold royalty, which deems the loan as fully repaid under the terms of the Delphi loan and royalty deed. The balance remains outstanding as at balance date.

This area is a key audit matter due to the significant value of the transaction and the judgement involved in determining the appropriate accounting treatment.</td><td>Our procedures included, amongst others:
• Reviewing new agreements for key obligations under the funding package;
• Considering the costs associated with obtaining the funding package;
• Reviewing management’s assessment as to whether the appropriate accounting treatment has been applied;
• Obtaining the loan schedule, reviewing for unusual items, ensure mathematical accuracy and agreeing to the general ledger; and
• Assessing the appropriateness of the related financial statement disclosures.</td></tr>
<tr><td colspan="2">Restructure and transition to care and maintenance – note 5</td></tr>
<tr><td>During the year the Group was restructured which involved the determination of:
• Employee redundancy payments;
• Impairment of inventory;
• Creditor settlements;
• Impairment of right-of-use assets;
• Losses on settlement of gold forwards; and
• Legal, consulting and other restructuring fees and costs.

Included in the above restructuring costs was the settlement of the NRW Holdings Limited liability which resulted in a $7.1 million gain.

This is a key audit matter due to the significant value of the transaction and the judgement involved in determining the appropriate accounting treatment.</td><td>Our procedures included, amongst others:
• Reviewing terms sheets for material obligations;
• Reviewing policies and procedures related to redundancy cost including the relevant agreements, ensuring that correct authorisations were in place, including the review of board resolutions and approvals and evaluating completeness and accuracy of the costs incurred;
• Evaluating controls over inventory, including the valuation of obsolete and slow-moving stock;
• Agreeing the net gain of settlement against debt obligation;
• Reviewing settlement of gold forwards, legal, consulting and other transition fees and costs for completeness and accuracy; and
• Assessing the appropriateness of the related financial statement disclosures.</td></tr>
</table>

Exploration and evaluation– note 15	

At 30 June 2023 the carrying value of exploration and evaluation assets was $95.3 million.
 	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.
 	
The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.
 	
This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.
	Our procedures included, amongst others:
	
	• Obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;
	• Reviewing management's area of interest considerations against AASB 6;
	• Conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including;
	  – Tracing projects to statutory registers, exploration licenses and third-party confirmations to determine whether a right of tenure existed;
	  – Enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure;
	  – Understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; and
	• Assessing the appropriateness of the related financial statement disclosures.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf.This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Spartan Resources Limited, for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B P Steedman
Partner – Audit & Assurance

Perth, 28 September 2023

Directors' declaration

1 In the Directors' opinion:

(a) the consolidated financial statements and notes of Spartan Resources Limited and its controlled entities are in accordance with the *Corporations Act 2001*, including:

(i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
(ii) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2 Note 2 confirms that the consolidated financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2023.

This declaration is made in accordance with a resolution of the Directors.

Rowan Johnston
Non-Executive Chair
Perth
28 September 2023

Consolidated statement of comprehensive income

For the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Revenue	4	57,360	184,692
Cost of sales	5	(64,843)	(208,397)
Gross loss		**(7,483)**	**(23,705)**
Other income	4	280	2,222
Impairment expense	14	-	(47,699)
Restructure and transition to care and maintenance	5	(11,237)	-
Other expenses	5	(11,975)	(9,032)
Operating loss		**(30,415)**	**(78,214)**
Finance income	6	182	9
Finance costs	6	(4,903)	(3,145)
Loss before income tax		**(35,136)**	**(81,350)**
Income tax expense	7	-	(28)
Loss for the year after income tax		**(35,136)**	**(81,378)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Changes in fair value of equity investments		(616)	22
Total other comprehensive (loss)/income		(616)	22
Total comprehensive loss for the year		**(35,752)**	**(81,356)**
Loss for the year after income tax attributable to:			
Owners of the Company		(35,136)	(81,378)
Non-controlling interests		-	-
		(35,136)	**(81,378)**
Total comprehensive loss for the year attributable to:			
Owners of the Company		(35,752)	(81,356)
Non-controlling interests		-	-
		(35,752)	**(81,356)**
Loss per share			
Basic (cents per share)	8	(6.5)	(23.9)
Diluted (cents per share)	8	(6.5)	(23.9)

This statement should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 30 June 2023

	Note	2023 $'000	2022 $'000
Current assets			
Cash and cash equivalents	9	34,553	30,862
Trade and other receivables	10	753	1,509
Inventories	11	4,701	15,985
Prepayments		1,519	1,874
		41,526	**50,230**
Non-current assets			
Mine properties, property, plant and equipment	13	32,723	31,803
Exploration and evaluation	15	95,341	84,782
Other financial assets	12	1,191	3,127
		129,255	**119,712**
Total assets		**170,781**	**169,942**
Current liabilities			
Trade and other payables	16	2,760	12,366
Borrowings and lease liabilities	17	2,998	3,228
Current tax liabilities	7	-	28
Provisions	18	717	3,695
Other financial liabilities	12	-	4,718
		6,475	**24,035**
Non-current liabilities			
Borrowings and lease liabilities	17	11,472	8,309
Provisions	18	52,198	47,309
Other financial liabilities	12	6,300	4,833
		69,970	**60,451**
Total liabilities		**76,445**	**84,486**
Net assets		**94,336**	**85,456**
Equity			
Share capital	19	367,188	324,496
Non-controlling interests	19	1,520	1,479
Reserves	19	1,455	2,076
Accumulated losses		(275,827)	(242,595)
Total equity		**94,336**	**85,456**

This statement should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the year ended 30 June 2023

	Share capital $'000	Convertible debt $'000	Other reserves $'000	Accumulated losses $'000	Attributable to owners of the Company $'000	Non-controlling interests $'000	Total $'000
At 1 July 2021	**266,196**	**-**	**672**	**(160,330)**	**106,538**	**1,352**	**107,890**
Loss for the year	-	-	-	(81,378)	(81,378)	-	(81,378)
Other comprehensive income	-	-	22	-	22	-	22
Total comprehensive income/(loss) for the year	-	-	22	(81,378)	(81,356)	-	(81,356)
Convertible notes issue (net of tax)	-	600	-	-	600	-	600
Convertible notes retirement	-	(600)	-	(887)	(1,487)	-	(1,487)
Movement in non-controlling interests' share of net assets	-	-	(127)	-	(127)	127	-
Shares issued during the year	59,045	-	-	-	59,045	-	59,045
Share issue costs (net of tax)	(745)	-	-	-	(745)	-	(745)
Share-based payments	-	-	1,509	-	1,509	-	1,509
At 30 June 2022	**324,496**	**-**	**2,076**	**(242,595)**	**83,977**	**1,479**	**85,456**
Loss for the year	-	-	-	(35,136)	(35,136)	-	(35,136)
Other comprehensive loss	-	-	(616)	-	(616)	-	(616)
Total comprehensive loss for the year	-	-	(616)	(35,136)	(35,752)	-	(35,752)
Transfer to accumulated losses	-	-	(1,844)	1,844	-	-	-
Convertible debt issue (net of tax)	-	134	-	-	134	-	134
Convertible debt - conversion	-	(134)	-	(888)	(1,022)	-	(1,022)
Movement in non-controlling interests' share of net assets	-	-	(41)	-	(41)	41	-
Shares issued during the year	44,532	-	-	-	44,532	-	44,532
Share issue costs (net of tax)	(2,490)	-	-	-	(2,490)	-	(2,490)
Performance rights exercised	650	-	(1,598)	948	-	-	-
Share-based payments	-	-	3,478	-	3,478	-	3,478
At 30 June 2023	**367,188**	**-**	**1,455**	**(275,827)**	**92,816**	**1,520**	**94,336**

This statement should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from customers		57,360	188,015
Payments to suppliers and employees		(79,511)	(160,680)
Other revenue received		71	175
Finance charges paid		(1)	(51)
Interest received		182	2
Interest paid		(1,137)	(2,270)
Income tax (paid)/refund		(28)	1
Net cash flows (used in)/from operating activities	9	**(23,064)**	**25,192**
Cash flows from investing activities			
Payments for exploration and evaluation		(12,886)	(7,343)
Payments for mine properties, property, plant and equipment		(1,842)	(7,566)
Payments for equity investments		-	(804)
Payments for acquisition of assets, net of cash acquired		(2,177)	(382)
Proceeds from sale of property, plant and equipment		25	16
Proceeds from sale of mineral rights		50	-
Proceeds from sale of equity investments		1,420	-
Transfer from security deposits		-	17
Net cash flows used in investing activities		**(15,410)**	**(16,062)**
Cash flows from financing activities			
Proceeds from issue of shares		26,250	16,660
Share issue costs		(5,157)	(745)
Proceeds from borrowings		23,750	20,000
Repayment of borrowings		-	(33,998)
Repayment of lease liabilities		(2,485)	(3,233)
Payments for borrowings transaction costs		(193)	(400)
Net cash flows from/(used in) financing activities		**42,165**	**(1,716)**
Net change in cash and cash equivalents		3,691	7,414
Cash and cash equivalents at 1 July		30,862	23,448
Cash and cash equivalents at 30 June	9	**34,553**	**30,862**

This statement should be read in conjunction with the accompanying notes.

Notes to the financial statements

Notes to the financial statements

This section includes the accounting policies, accounting estimates and judgements relating to the consolidated financial statements of Spartan Resources Limited (Spartan or the Company) and its controlled entities (together, the Group). The recognition and measurement principles of each accounting policy and the critical accounting estimates and judgements are contained within the note for the financial item to which they relate. Accounting policies which are not specific to an individual financial item are presented in note 31.

The financial report for the Group for the year ended 30 June 2023 was approved and authorised for issue by the Directors on 28 September 2023.

Basis of preparation

1 Reporting entity

Spartan Resources Limited is a listed public company, incorporated and operating in Australia. The address of its registered office and its principal place of business is Level 1, 41-47 Colin Street, West Perth, Australia.

2 Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

Spartan Resources Limited is a for-profit entity for the purpose of preparing financial statements.

Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are described in the notes to the financial statements. These policies have been applied consistently to all financial years presented, unless otherwise stated.

Compliance with IFRS

The financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) which are measured at fair value.

Functional and presentation currency

The financial statements are presented in Australian dollars which is the Group's functional and presentation currency.

Accounting estimates and judgements

In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates of future events that affect the carrying amounts disclosed in these financial statements. Estimates and underlying assumptions are based on historical experience, reasonable expectation of future events and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and judgements are reviewed on an ongoing basis and are based on the latest available information. Revisions to estimates are recognised in the period in which the estimate is revised and in any future period affected.

2 Basis of preparation (continued)

Accounting estimates and judgements which are material to the financial report are contained in the following notes:

Note		Item subject to estimates and judgement
7	Income tax	Income tax provisions; Recognition of deferred tax assets
11	Inventories	Inventory valuation; Net realisable value and classification of inventory
13	Mine properties, property, plant and equipment	Mine properties under development; Mine properties; Deferred stripping costs; Depreciation and amortisation; Units of production method; Mineral resources and ore reserves estimates
14	Impairment of non-current assets	Assessment of indicators of impairment; Assessment of asset or CGU recoverable amounts
15	Exploration and evaluation	Recovery of capitalised expenditure
17	Borrowings and lease liabilities	Identifying a lease; Determining the lease term; Determining the incremental borrowing rate
18	Provisions	Rehabilitation and mine closure
20	Financial risk management	Fair value measurement
28	Share-based payments	Valuation methodology

Going concern

The financial statements have been prepared on a going concern basis, which assumes the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2023 the Group recorded a net loss after tax of $35.1 million (2022: $81.4 million loss) that includes a pre-tax non-cash impairment expense of $1.8 million (2022: $47.7 million), an operating cash outflow of $23.1 million (2022: $25.2 million inflow) and net cash outflow (before financing activities) of $38.5 million (2022: $9.1 million net cash inflows).

The Group has a working capital surplus of $35.1 million as at 30 June 2023 (2022: $26.2 million surplus) which includes a cash balance of $34.6 million. The increase in working capital from 30 June 2022 to 30 June 2023 is primarily driven by the decision on 8 November 2022 to suspend operations and transition the Dalgaranga Gold Project (Dalgaranga) to care and maintenance as a result of operating losses incurred during the period due to reduced gold production, labour shortages, increased production costs and the completion of a $50.0 million funding package, the elements of which are described below. The Group had investments in listed companies with a market value of approximately $0.8 million at 30 June 2023.

During the second half of the financial year, the Company completed a $50.0 million funding package in support of its financial restructure, which involved the following key elements:

- A fully underwritten $26.3 million equity raising at $0.10 per share consisting of:
  - An institutional placement (Placement) to raise approximately $8.6 million.
  - A 1-for-2.42 pro-rata accelerated non-renounceable entitlement offer (Entitlement Offer) to eligible shareholders to raise approximately $17.6 million.
- A new strategic investment by Tembo Capital, a leading private equity fund, of $21.3 million, structured in two tranches:
  - Tranche A: A $15.0 million secured loan that converted to shares at a conversion price of $0.10 per share following shareholder approval at the EGM held on 18 April 2023.
  - Tranche B: A $6.3 million secured loan that converted to a 1.8% gross royalty on gold produced and sold from wholly-owned tenements at Dalgaranga and a 1.35% gross royalty on gold produced and sold from the remaining wholly-owned tenements for which Spartan retains the gold rights to, following shareholder approval of the conversion of Tranche A at the EGM held on 18 April 2023.
- An investment of $8.3 million from the Company's largest existing shareholder at the time, including Delphi Unternehmensberatung AG, and its associates Deutsche Balaton AG, Sparta AG and 2invest AG, (Delphi), comprising:
  - Up to $5.8 million committed to the $26.3 million equity raising noted above.

2 Basis of preparation (continued)

- A $2.5 million unsecured loan that subsequent to year-end, converted to a 0.7% gross royalty on gold produced and sold from wholly-owned tenements at Dalgaranga and a 0.5% gross royalty on gold produced and sold from the remaining wholly-owned tenements for which Spartan retains the gold rights to, following shareholder approval for the conversion to a royalty at the EGM held on 18 August 2023.

- A full and final settlement of all amounts owing between Spartan and NRW Holdings Limited (NRW) (and their respective group members) in respect of their existing arrangements.
- In addition to the NRW Settlement Agreement, arrangements were agreed with certain other creditors of Spartan in relation to amounts owing to those creditors and the treatment of certain contracts in light of the suspension of operations at Dalgaranga. These binding agreements settled all known claims and amounts owing resulting from the decision to suspend operations and transition Dalgaranga to care and maintenance.

Following the receipt of gross funds of $50.0 million by 4 April 2023 and completion of the financial restructure, the Directors believe that the Company will have sufficient funds to satisfy short and medium term working capital requirements. It was the objective of the Entitlement Offer, Placement, transactions with Tembo Capital and Delphi to provide sufficient funds for the Company for an approximate period of 12-18 months to continue its exploration and technical / financial study efforts to support a future decision to recommence mining. Should exploration results not be achieved as envisaged, costs increase or approvals be delayed, the Company may need additional funds to achieve this objective.

At the end of the 12-18 month period, the Company is expected to require further financing to continue exploration activities and/or to recommence operations at Dalgaranga.

The Directors believe the Company will be able to attract additional financing, due to the following key factors:

- No corporate debt.
- New high-grade Never Never deposit with a significant MRE of 3.83Mt at 5.85g/t Au for 721,200 ounces of contained gold, open at depth and located within 1 km of established infrastructure.
- Fully functional 2.5Mtpa processing plant and associated infrastructure currently maintained in a state for a rapid restart.
- Debt and equity investors have shown appetite to fund high-grade mines in the current economic environment.

The Directors are satisfied that the going concern basis of preparation for the financial statements is appropriate. Based on the factors above there is a material uncertainty that may cast doubt on the Group's ability to continue as a going concern

If the Group is unable to continue as a going concern, it may be required to realise its assets and/or settle its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report.

The financial report does not include adjustments to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Group not continue as a going concern.

Rounding of amounts

The Company has relied on the relief provided by the *ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191*, and therefore the amounts contained in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

Notes to the financial statements

Financial performance

This section of the notes to the financial statements provides information relevant to the financial results and performance of the Group during the year, including the resultant tax position.

3 Operating segments

The Group's operating segments are based on the internal management reports that are reviewed and used by the Managing Director and Chief Executive Officer and the Executive team, identified together as the chief operating decision makers, in assessing performance. The Group's business is organised into two operating segments, being gold operations and the exploration, evaluation and development of gold projects, all conducted within Western Australia.

The chief operating decision makers monitor the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Corporate expenditures supporting the business during the period, adjustments and eliminations processed on consolidation and other items that cannot be directly attributed to the reportable operating segments are identified as 'Other' balances. The Group has formed a tax consolidation group and therefore tax balances have been included in the 'Other' grouping.

During the year to 30 June 2023, there have been no changes from prior periods in the measurement methods used to determine operating segments and reported segment profit or loss.

The revenues and results generated by each of the Group's operating segments are summarised as follows:

2023	**Gold operations $'000**	**Exploration, evaluation and development $'000**	**Total operations $'000**	**Other $'000**	**Total $'000**
External revenue	57,360	-	57,360	-	**57,360**
Segment loss before income tax	(22,591)	(75)	(22,666)	(12,470)	**(35,136)**
Segment loss includes the following adjustments:					
Depreciation and amortisation	(2,903)	(37)	(2,940)	(129)	**(3,069)**
Impairment expense[1]	(1,750)	-	(1,750)	-	**(1,750)**
Exploration and evaluation expenditure write-off	(495)	(38)	(533)	-	**(533)**
Inventory movement and provision	(3,700)	-	(3,700)	-	**(3,700)**
Inventory write-off[1]	(8,142)	-	(8,142)	-	**(8,142)**
Rehabilitation and mine closure provision movement	(3,248)	-	(3,248)	-	**(3,248)**
Net gain on settlement of NRW LPA[2]	7,070	-	7,070	-	**7,070**
Employee redundancy payments[1]	(3,760)	-	(3,760)	(1,726)	**(5,486)**
Settlement of key creditors and other transition costs[1]	(1,639)	-	(1,639)	-	**(1,639)**
Legal and consultancy fees[1]	(908)	-	(908)	(262)	**(1,170)**
	(19,475)	(75)	(19,550)	(2,117)	**(21,667)**
At 30 June 2023					
Segment assets	52,041	41,170	93,211	77,570	**170,781**
Segment liabilities	246,718	20,332	267,050	(190,605)	**76,445**

3 Operating segments (continued)

1 Costs related to the financial restructure and the transition of the Dalgaranga operations to a care and maintenance basis, refer to the 'Restructure and transition to care and maintenance' section in note 5.
2 Related to the full and final settlement of all amounts owing between Spartan and NRW Holdings Limited (NRW) in respect of their existing arrangements comprising the liability payment arrangement (LPA) to settle pre-Administration debt (NRW Settlement Agreement), refer to note 12.

2022	Gold operations $'000	Exploration, evaluation and development $'000	Total operations $'000	Other $'000	Total $'000
External revenue	184,692	-	184,692	-	**184,692**
Segment loss before income tax	(72,477)	(268)	(72,745)	(8,605)	**(81,350)**
Segment loss includes the following adjustments:					
Depreciation and amortisation	(43,890)	(26)	(43,916)	(146)	**(44,062)**
Impairment expense	(47,699)	-	(47,699)	-	**(47,699)**
Deferred stripping costs capitalised	6,049	-	6,049	-	**6,049**
Deferred stripping costs write-off	(15,218)	-	(15,218)	-	**(15,218)**
Exploration and evaluation expenditure write-off	-	(20)	(20)	-	**(20)**
Inventory movement and provision	2,738	-	2,738	-	**2,738**
	(98,020)	(46)	(98,066)	(146)	**(98,212)**
At 30 June 2022					
Segment assets	73,355	39,138	112,493	57,449	**169,942**
Segment liabilities	242,234	19,332	261,566	(177,080)	**84,486**

4 Revenue and other income

Revenue

	2023 $'000	2022 $'000
Gold sales	56,951	183,657
Silver sales	409	1,035
	57,360	**184,692**

During the year, the Group sold gold and silver in the form of bullion to:

- ABC Refinery (Australia) Pty Ltd; and
- MKS PAMP, the Group's former hedging facility provider (refer to note 22) .

Management of gold price risk

The Group uses derivative gold contracts to manage its exposure to gold price fluctuations.

4 Revenue and other income (continued)

During the year, the Group entered into and utilised gold forward sale contracts (gold forward contracts) to assist in managing the price risk associated with a portion of its estimated future gold sales, refer note 22 for more information. Following the announcement of the transition of the Dalgaranga operations to care and maintenance in November 2022, the gold forward contracts were closed out as per the contractual requirements for an immaterial close out cost.

The sale price of gold bullion not sold into gold forward contracts is fixed on the date of sale, based on the Australian dollar denominated gold spot price.

Recognition and measurement

Sales revenue is recognised when:

- control of the goods has been transferred to the customer, which occurs when goods are delivered to the customer;
- the customer has the significant risks and rewards of ownership through the ability to direct the use of and obtain substantially all of the remaining benefits from the goods;
- there is no unfulfilled obligation that could affect the customer's acceptance of the goods; and
- payment is due from the customer.

The amount of revenue recognised reflects the consideration to which the Group is, or expects to be, entitled in exchange for the goods. Revenue is measured at the transaction price agreed under a sales contract.

Gold bullion and silver sales

Revenue from gold bullion and silver sales is recognised at the time of physical delivery on the settlement date, when control of the goods passes to the customer, satisfying the sole performance obligation to deliver gold bullion and silver. For gold bullion and silver sales, the transfer of control is generally at the point in time when gold bullion and silver is credited to the metal account of the customer on the settlement date.

Other income

	2023 $'000	2022 $'000
Fair value gain on remeasurement of NRW liability[1]	-	266
Gain on termination of lease	208	-
Net gain on sale of exploration interest	-	786
Net gain on settlement of convertible note[2]	-	351
Other income	72	819
	280	**2,222**

1 Related to the fair value remeasurement of the NRW LPA to settle pre-Administration debt. The LPA was settled in full during the year with NRW as part of the financial restructure, refer to note 12.

2 Refer to note 17 for details of the settlement of the convertible note.

5 Expenses

Cost of sales

	2023 $'000	2022 $'000
Cash costs of production	56,744	153,344
Deferred stripping costs capitalised	-	(6,049)
Inventory movement	(2,932)	(385)
Inventory net realisable value provision	6,632	(2,353)
Depreciation and amortisation[1]	2,903	43,890
Royalties	1,273	4,399
Deferred stripping costs write-off[2]	-	15,218
Share-based payments	223	333
	64,843	**208,397**

1 Depreciation and amortisation includes amortisation of previously capitalised deferred waste stripping costs. No depreciation and amortisation was recognised for owned assets related to the Dalgaranga plant and associated mining infrastructure during the year as the recovery amount was in excess of the carrying amount. Refer to note 13 for details on the Group's accounting policy for depreciation and amortisation.

2 Prior year balance is related to the write-off of the remaining unamortised capitalised deferred waste stripping costs due to the deferral of mining activities at Gilbey's Stage 3.

Cash costs of production

Cash costs of production includes ore and waste mining costs, processing costs and site administration and support costs. Cash costs of production includes employee benefits expense of $7.2 million (2022: $13.5 million).

Net deferred stripping costs capitalised

Net deferred stripping costs capitalised represent costs incurred in the development and production phase of a mine and are capitalised as part of the upfront cost of stripping overburden in order to access ore and are subsequently amortised over the useful life of the ore body that access is provided to on a units-of-production basis. Where the waste to ore stripping ratio in a period exceeds the stripping ratio for the life of that stage, the cost of waste movement beyond the average stripping ratio for that stage is capitalised. The amount recognised in a period is the gross amount capitalised less amortisation of previously capitalised amounts. Refer to note 13 for further details on the Group's accounting policy for deferred stripping costs.

Inventory movement

Inventory movement represents the movement in the inventory value of ore stockpiles, gold in circuit, gold on hand and consumable stores. Refer to note 11 for further details on the Group's accounting policy for inventory.

Inventory net realisable value provision

Inventory must be carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs to complete processing and to make a sale. The net realisable value provision equals the decrement between the net realisable value and the carrying amount before provision. Refer to note 11 for further details on the Group's accounting policy for inventory.

Royalties

Royalties are payable based on the amount of gold produced from a mining tenement and are payable quarterly at a fixed rate of 2.5% (2022: 2.5%) of the royalty value of gold sold. The royalty value of gold is the amount of gold produced during the month multiplied by an average gold spot price for the month provided by the Government of Western Australia Department of Mines, Industry Regulation and Safety.

5 Expenses (continued)

Restructure and transition to care and maintenance

The net financial impact of the gains and costs incurred during the year in relation to the restructure and the transition of the Dalgaranga operations to a care and maintenance basis is reflected in the table below:

	2023 $'000
Expenses:	
Employee redundancy payments[1]	5,486
Inventory write-off	8,142
Impairment expense[2]	1,750
Legal and consultancy fees	1,170
Settlement of key creditors and other transition costs	1,639
Loss on settlement of gold forwards	120
Offset by:	
Net gain on settlement of NRW LPA	(7,070)
Net financial impact	**11,237**

1 Employee redundancy payments include share-based payments expense of $1.5 million that relates to accelerated vesting of existing performance rights for employees who were made redundant following the Company's decision to transition the Dalgaranga operations to care and maintenance.

2 Write-down of right-of-use assets identified during the annual impairment assessment. Refer to note 14 for more information.

Inventory write-off

Following the decision to transition the Dalgaranga operations to a care and maintenance basis in November 2022, processing operations at Dalgaranga were wound down. At this time the remaining ore stockpiles that represented material with a grade greater than 0.5g/t Au were written off as it was determined that the stockpiles were unlikely to be processed into a saleable form and sold at a profit in the medium term.

Settlement of key creditors and other transition costs

Costs associated with the transition to care and maintenance included settlement of key creditors relating to final payment obligations arising from key creditor negotiations, including a cash payment of $2.0 million to NRW (refer note 12) and other transition costs directly related to the transition of the Dalgaranga processing plant to a care and maintenance basis.

Employee benefits expense

	2023 $'000	2022 $'000
Salaries and wages	15,672	15,921
Superannuation	1,335	1,485
Share-based payments	3,478	1,568
Other employment costs	865	955
	21,350	**19,929**
Amounts capitalised	(1,877)	(753)
	19,473	**19,176**

Total employee benefits expense for the year includes redundancy costs of $5.5 million related to employees who were made redundant following the Company's decision to transition the Dalgaranga operations to care and maintenance.

5 Expenses (continued)

Other expenses

	2023 $'000	2022 $'000
Corporate expenses	5,369	7,317
Put option expense[1]	-	266
Exploration and evaluation expenditure write-off[2]	533	20
Depreciation and amortisation	166	172
Rehabilitation and mine closure provision movement	3,248	-
Loss on disposal of property, plant and equipment	-	22
Loss on sale of mineral rights[3]	456	-
Loss on extinguishment of convertible debt[4]	409	-
Share-based payments	1,794	1,235
	11,975	**9,032**

1 Relating to short-term put options purchased in the prior year to protect revenue, measured at cost.
2 Relates to capitalised expenditure on a discontinued resource definition programme at Dalgaranga written down to $nil.
3 Sale of Beebyn mineral rights to E79 Gold Mines Limited, refer to note 15.
4 Recognised on extinguishment of the Tembo Capital Tranche B secured loan, refer note 17.

6 Finance income and costs

	2023 $'000	2022 $'000
Finance income		
Interest income	**182**	**9**
Finance costs		
Interest expense on borrowings	1,156	1,841
Interest expense on lease liabilities	687	784
Borrowing costs[1]	1,284	68
Unwinding of discount	1,776	452
	4,903	**3,145**

1 Borrowing costs relates to Tembo Capital facility fees.

Recognition and measurement

Interest income and interest expense is accrued using the effective interest rate method.

Finance costs are expensed as incurred, except where costs relate to the financing of construction or development of qualifying assets.

7 Income tax

The major components of income tax expense are:

	2023 $'000	2022 $'000
Current income tax	-	28
Deferred income tax		
Relating to origination and reversal of temporary differences	4,762	(23,817)
Deferred tax liability offset by deferred tax asset losses	(13,823)	325
Unrecognised / derecognition of deferred tax asset losses	10,024	(7)
Unrecognised deductible temporary differences	(963)	23,499
Income tax expense	**-**	**28**

Income tax expense

The current income tax expense recorded for the year is $nil (2022: $0.03 million expense). The prior year income tax expense of $0.03 million relates to a subsidiary of Firefly Resources Limited prior to entry into the Spartan tax consolidated group. The Group has paid this amount to the Australian Taxation Office in the current financial year. The Group remains in a cumulative tax loss position for income tax purposes.

Reconciliation of income tax expense to prima facie tax

	2023 $'000	2022 $'000
Accounting loss before income tax	(35,136)	(81,350)
Tax at the Australian tax rate of 30% (2022: 30%)	(10,541)	(24,405)
Tax effect of expenses not deductible for tax purposes:		
Share-based payments	538	370
Entertainment expenditure	4	2
Fines and donations	4	5
Current tax liabilities	-	28
Other	934	536
Unrecognised / derecognition of deferred tax asset losses	10,024	(7)
Unrecognised deductible temporary differences	(963)	23,499
Income tax expense	**-**	**28**

7 Income tax (continued)

Deferred tax

Recognised deferred tax balances

The movement for the year in the Group's net deferred tax position is as follows:

	Opening balance $'000	Recognised in profit or loss $'000	Recognised in equity $'000	Over/(under) provision $'000	Recognised/ (Unrecognised) $'000	Closing balance $'000
2023						
Deferred tax assets						
Tax losses	-	13,823	-	11,591	(21,571)	3,843
Capital raising costs	2,070	(722)	747	1	-	2,096
Mine properties, property, plant and equipment	8,352	(1,337)	-	(25)	-	6,990
Provisions	1,451	674	-	-	-	2,125
	11,873	12,438	747	11,567	(21,571)	15,054
Deferred tax liabilities						
Exploration and evaluation	(11,794)	(3,456)	-	196	-	(15,054)
Financial assets and liabilities	(79)	79	-	-	-	-
	(11,873)	(3,377)	-	196	-	(15,054)
Net deferred tax assets	**-**	**9,061**	**747**	**11,763**	**(21,571)**	**-**
2022						
Deferred tax assets						
Tax losses	317	(324)	-	-	7	-
Capital raising costs	2,564	(682)	230	-	(42)	2,070
Mine properties, property, plant and equipment	6,404	25,635	-	-	(23,687)	8,352
Provisions	672	779	-	-	-	1,451
	9,957	25,408	230	-	(23,722)	11,873
Deferred tax liabilities						
Exploration and evaluation	(9,572)	(2,222)	-	-	-	(11,794)
Financial assets and liabilities	(385)	306	-	-	-	(79)
	(9,957)	(1,916)	-	-	-	(11,873)
Net deferred tax assets	**-**	**23,492**	**230**	**-**	**(23,722)**	**-**

The Company and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. Therefore, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities have been offset in the consolidated financial statements.

7 Income tax (continued)

Unrecognised tax losses

	2023 $'000	2022 $'000
Unrecognised tax losses	**251,131**	**166,418**
Potential tax benefit at 30% (2022: 30%)	**75,339**	**49,925**

In accordance with the Group's policies for deferred taxes, a deferred tax asset is recognised only if it is probable that sufficient future taxable income will be generated to offset against the asset.

Determination of future taxable profits requires estimates and assumptions as to future events and circumstances including commodity prices, ore reserves, exchange rates, future capital requirements, future operational performance, the timing of estimated cash flows and the ability to successfully develop and commercially exploit resources.

Tax legislation prescribes the rate at which tax losses transferred from entities joining a tax consolidation group can be applied to taxable incomes and this rate is diluted by changes in ownership, including capital raisings.

At 30 June 2023 the Group has $251.1 million of tax losses available to be offset against future taxable income. A deferred tax asset has not been recognised for tax losses at the reporting date due to the uncertainty of their recoverability in future periods, because the period over which the losses can be applied to future taxable incomes and the period over which it is forecast that these losses may be utilised, has extended beyond that which management considers prudent to support their continued recognition for accounting purposes. These tax losses do not expire and can be used to reduce future tax profits subject to relevant tax legislation associated with recoupment including the same business test and continuity of ownership test.

Tax consolidation legislation

The Company and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation and are therefore taxed as a single entity. The head entity, Spartan Resources Limited, and the wholly-owned controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from wholly-owned controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement, under which the wholly-owned controlled entities:

- fully compensate the Company for any current tax payable assumed; and
- are compensated by the Company for any:
    - current tax receivable; and
    - deferred tax assets relating to unused tax losses or unused tax credits that are transferred to the Company under the tax consolidation legislation.

The funding amounts are determined by reference to the amounts recognised in the wholly-owned controlled entities' financial statements.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Recognition and measurement

The income tax expense or credit recognised in profit or loss for the period comprises the tax payable on the current period's taxable income based on the applicable tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

7 Income tax (continued)

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in other comprehensive income or directly in equity, respectively.

Current and deferred tax assets and liabilities are offset:

- when the Group has a legally enforceable right to offset; and
- when the tax balances are related to taxes levied by the same tax authority and the Group intends to settle on a net basis, or realise the asset and settle the liability simultaneously.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, including any adjustment to tax payable in respect of previous years.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Any research and development tax offset due to the Company, from the Australian Taxation Office, will be recognised in current income tax expense when the amount to be received is known.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates and laws enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences. Deferred tax liabilities are always provided for in full.

Accounting estimates and judgements

Income tax provisions

The Group is subject to income taxes in Australia. Significant judgement is required in determining the provision for income taxes. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate taxation determination is uncertain. The Group estimates its tax liabilities based on its understanding of the tax law. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such a determination is made.

Recognition of deferred tax assets

The Group recognises deferred tax assets, relating to carry forward tax losses and other unused tax credits, to the extent that it is probable that there are sufficient taxable temporary differences (deferred tax liabilities), relating to the same taxation authority, against which the losses and other unused tax credits can be utilised. Utilisation of the tax losses also depends upon the ability of the Group to satisfy certain tests at the time the losses are recouped. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and amount of future taxable income, together with future tax planning strategies.

8 Earnings per share

	2023	**2022**
	Cents per share	**Cents per share**
Basic loss per share	(6.5)	(23.9)
Diluted loss per share	(6.5)	(23.9)

8 Earnings per share (continued)

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted loss per share are as follows:

	$'000	$'000
Earnings used in calculating earnings per share		
Loss after tax attributable to the owners of the Company	**(35,136)**	**(81,378)**

	No. of shares	No. of shares
Weighted average number of ordinary shares used as the denominator in calculating earnings per share	**537,176,091**	**340,279,690**

Earnings per share is the amount of post-tax profit or loss attributable to each share.

Performance rights have not been included in the determination of diluted earnings per share as the Group was loss-making and the effect on earnings per share would have been anti-dilutive.

Recognition and measurement

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by
- the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings by allowing for:

- the post-tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential ordinary shares

Employee share options and rights over ordinary shares in the Company are considered to be potential ordinary shares, and are included in determining diluted earnings per share to the extent to which they are dilutive.

Notes to the financial statements

Capital management

This section of the notes to the financial statements provides information on the assets used to generate the Group's trading performance and the resultant liabilities incurred, including working capital, long-term assets, liabilities arising from finance activities, and equity.

9 Cash and cash equivalents

	2023 $'000	2022 $'000
Cash at bank and on hand	**34,553**	**30,862**

Recognition and measurement

Cash and cash equivalents include cash on hand and deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Reconciliation of cash flows

Reconciliation of cash flows from operating activities

	2023 $'000	2022 $'000
Loss for the year after income tax	(35,136)	(81,378)
Adjustments		
Depreciation and amortisation	3,069	44,062
Exploration and evaluation expenditure write-off	533	20
Deferred stripping costs write-off	-	15,218
Rehabilitation and mine closure provision movement	3,248	-
Impairment expense	1,750	47,699
Inventory write-off	8,142	-
Unwinding of discount	1,776	452
Share-based payments	3,478	1,686
Loss/(gain) on extinguishment of convertible debt	409	(351)
Finance costs	-	313
Income tax expense	-	28
Loss/(gain) on disposal of assets	248	(764)
Equity investments acquired	-	(644)
Net changes in operating assets and liabilities		
Decrease in trade and other receivables	739	4,192
Decrease/(increase) in inventories	2,069	(2,924)
Decrease/(increase) in prepayments	1,235	(165)
Decrease in trade and other payables	(8,978)	(93)
Decrease in provisions	(5,646)	(2,159)
Net cash flows (used in)/from operating activities	**(23,064)**	**25,192**

9 Cash and cash equivalents (continued)

Non-cash transactions

Mine properties, property, plant and equipment includes $0.5 million (2022: $nil) of additional assets arising from lease arrangements during the year.

The Group received shares as consideration for the sale of mineral rights during the year, refer note 15.

The Group equity-settled debt obligations due to Tembo Capital (refer note 17) and NRW (refer note 12) during the year. Refer to note 19 for more information on the shares issued to Tembo Capital and NRW.

Change in liabilities arising from financing activities

	Investec finance facility $'000	Delphi loan facility $'000	Tembo Capital facility $'000	Convertible note facility $'000	Lease liabilities $'000	Total $'000
At 1 July 2021	13,537	-	-	-	14,758	28,295
Cash flows						
Proceeds	-	-	-	20,000	-	20,000
Repayments	(13,998)	-	-	(20,000)	(3,233)	(37,231)
Interest and transaction costs	(312)	-	-	(1,576)	(783)	(2,671)
Non-cash movements						
Interest and fees expense	773	-	-	1,040	783	2,596
Remeasurement[1]	-	-	-	(943)	13	(930)
Other movements[2]	-	-	-	1,479	(1)	1,478
At 30 June 2022	**-**	**-**	**-**	**-**	**11,537**	**11,537**
Cash flows						
Proceeds	-	2,450	21,300	-	-	23,750
Repayments	-	-	-	-	(1,949)	(1,949)
Interest and transaction costs	-	(222)	(2,106)	-	(684)	(3,012)
Non-cash movements						
Additions	-	-	-	-	522	522
Interest and fees expense	-	192	2,092	-	684	2,968
Remeasurement[1]	-	-	-	-	2,155	2,155
Other movements[3]	-	-	(21,286)	-	(215)	(21,501)
At 30 June 2023	**-**	**2,420**	**-**	**-**	**12,050**	**14,470**

1 Remeasurement arising from:
  a. Convertible note facility in prior year: Fair value adjustment relating to the repurchase of the convertible note facility agreement (note facility) in accordance with AASB 132 *Financial Instruments: Presentation*. Refer to note 17 in the Annual Report for the year ended 30 June 2022 for details of the repurchase of the note facility.
  b. Lease liabilities: A change in the lease term and/or revised contractual payments.

2 Refer to note 17 in the Annual Report for the year ended 30 June 2022 for details of the remaining balances of the equity and embedded derivative components on repurchase of the note facility during the prior year.

3 Refer to note 17 for information on the conversion of the Tembo Capital Tranche A and Tranche B secured loans to equity and future royalty obligations, respectively.

10 Trade and other receivables

	2023 $'000	2022 $'000
Trade receivables	50	24
GST and fuel tax receivables	699	1,481
Other receivables	4	4
	753	**1,509**

Recognition and measurement

Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less loss allowance. The carrying amounts of receivables are considered to be the same as their fair values, due to their short-term nature.

Trade receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

The Group applies a simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables classified at amortised cost. The expected credit loss on trade receivables is estimated by reference to past default experience and credit rating, adjusted as appropriate for current observable data.

GST and Other receivables

As non-trade receivables mainly comprise balances due from the Australian Taxation Office, the Group's exposure to credit risk on non-trade receivables is limited.

11 Inventories

	2023 $'000	2022 $'000
Ore stockpiles	-	8,314
Gold in circuit	-	1,997
Gold on hand	11	1,543
Consumable stores	4,690	4,131
	4,701	**15,985**

Following the decision to transition the Dalgaranga operations to a care and maintenance basis in November 2022, processing operations at Dalgaranga were wound down. At that time the remaining ore stockpiles that represented material with a grade greater than 0.5g/t Au were written off as it was determined that the stockpiles were unlikely to be processed into a saleable form and sold at a profit in the medium term.

Consumable stores at 30 June 2023 represent items purchased to maintain normal production levels prior to the decision to place the Dalgaranga operations on care and maintenance. These items will either be utilised or sold in the short term.

Ore stockpiles represent material with a grade greater than 0.5g/t Au that, at the time of extraction, is expected to be processed into a saleable form and sold at a profit. Lower grade ore stockpiles yet to be processed at Dalgaranga are not recognised in inventories. Gold in circuit represents gold in the processing circuit that has not completed the production process, and is not yet in a saleable form. Gold on hand represents the pre-refined saleable product before refining.

11 Inventories (continued)

Consumable stores include diesel, grinding media, reagents and other consumables held for use in the production process or maintenance of the operating plant and equipment.

Inventories are valued at the lower of cost and net realisable value. The Group's ore stockpiles were written down to nil upon the decision to transition into care and maintenance. At the reporting date, gold on hand is valued at net realisable value, consumable stores are valued at cost (2022: ore stockpiles, gold in circuit and gold on hand at net realisable value, consumable stores at cost).

Recognition and measurement

Ore stockpiles, gold in circuit and gold on hand are physically measured or estimated and valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis and comprises direct materials, direct labour, depreciation and amortisation expense and an appropriate proportion of project overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Consumable stores are valued at weighted average cost, after appropriate provision for obsolete and slow-moving items.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Accounting estimates and judgements

Inventory valuation

Accounting for inventory involves the use of judgements and estimates, particularly related to the measurement and valuation of inventory on hand within the production process. Certain estimates, including expected metal recoveries and work in progress volumes, are calculated by engineers using available industry, engineering and scientific data. Estimates used are periodically reassessed by the Group after considering technical analysis and historical performance. Changes in estimates are adjusted for on a prospective basis.

Net realisable value and classification of inventory

The assessment of the net realisable value and classification of inventory involves significant judgements and estimates in relation to timing and cost of processing, commodity prices, recoveries and the likely timing of sale of the bullion produced. A change in any of these assumptions will alter the estimated net realisable value and may therefore impact the carrying amount of inventory.

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12 Other financial assets and liabilities

	2023 $'000	2022 $'000
Non-current assets		
Term deposits	407	407
Equity investments	784	2,720
	1,191	**3,127**
Current liabilities		
NRW liability payment arrangement[1]	**-**	**4,718**
Non-current liabilities		
NRW liability payment arrangement[1]	-	4,833
Future royalty obligation	6,300	-
	6,300	**4,833**

1 These values represented the net present value of the NRW liability payment arrangement at 30 June 2022.

Term deposits

The Group holds cash in term deposits used as bank guarantees provided by the Group in favour of service providers for credit card facilities, leased premises and road maintenance responsibilities. These bank guarantees are secured by blocked deposits held by the grantor of the guarantee.

Equity investments

	2023 $'000	2022 $'000
Firetail Resources Limited	708	1,641
E79 Gold Mines Limited	76	-
Capricorn Metals Limited[1]	-	1,079
	784	**2,720**

1 On 29 June 2022 Spartan received shares to the value of $1.3 million in Capricorn Metals Limited (Capricorn) as initial consideration for the sale of exploration interests. The Company disposed of its holding in Capricorn in November 2022.

E79 Gold Mines Limited

On 17 October 2022 the Company acquired 925,925 shares in E79 Gold Mines Limited as partial consideration for the sale of gold and other mineral rights (excluding iron ore and ferrous minerals).

The fair value of the equity investment was categorised as level 1 at 17 October 2022 as the shares are listed.

Fair value classification

The equity investments were irrevocably designated at fair value through other comprehensive income (FVOCI) as they are not held for trading and the Group intends to hold the investments long-term for strategic purposes.

12 Other financial assets and liabilities (continued)

NRW liability payment arrangement

During the year ended 30 June 2020, the Group entered into an arrangement with NRW to settle the pre-Administration total amount owing of $34.8 million including GST ($32.7 million excluding GST). The arrangement included entry into a liability payment arrangement (LPA) for the remaining balance due after settlement of an upfront cash payment and conversion of debt to equity.

As the LPA liability was not expected to be settled within 12 months, the liability was discounted to net present value using the Group's incremental borrowing rate as a discount rate. The amount of the fair value gain on remeasurement was disclosed as other income (note 4). There was no interest payable on the LPA liability.

During the year all amounts owing between Spartan and NRW (and their respective group members) in respect of their existing contractual arrangements were settled via an agreement entered into between the Company, GNT Resources Pty Ltd, NRW and NRW Pty Ltd (NRW Settlement Agreement). The material terms of the settlement included a cash payment of $2.0 million paid to NRW on 7 March 2023 and the issue to NRW of $2.0 million worth of fully paid ordinary shares in Spartan on 24 April 2023.

Future royalty obligation

Following shareholder approval of the conversion of Tranche A of the Tembo Capital facility on 18 April 2023, Tranche B of the Tembo Capital facility equal to $6.3 million, was converted to a to a 1.8% gross royalty on gold produced and sold from wholly-owned tenements at Dalgaranga and a 1.35% gross royalty on gold produced and sold from the remaining wholly-owned tenements for which Spartan retains the gold rights to.

The royalty is payable to Tembo Capital upon the receipt of revenue from the sale of gold produced when production at Dalgaranga and the Company's other projects commences.

The royalty is secured by mining mortgages in favour of Tembo Capital over all the wholly owned tenements for which Spartan retains the gold rights to.

Neither the recommencement of production at Dalgaranga or mining from Spartan's remaining tenements are expected to occur within the next 12 months.

After initial recognition at fair value less directly attributable transaction costs, the future royalty obligation is subsequently measured at amortised cost.

Recognition and measurement

The Group classifies financial assets at amortised cost if the asset is held within a business model whose objective is to collect the contractual cash flows, and the contractual terms give rise to cash flows that are solely payments of principal and interest.

Other financial liabilities, which are not measured at fair value through profit or loss, are measured at amortised cost using the effective interest method.

Refer to note 20 for further details on accounting for financial assets and liabilities.

13 Mine properties, property, plant and equipment

	Right-of-use assets			Owned assets			
	Plant and equipment $'000	Property $'000	Mine properties $'000	Plant and equipment $'000	Capital work in progress $'000	Mine properties $'000	Total $'000
Cost							
At 1 July 2021	22,057	415	423	85,417	1,423	242,705	352,440
Additions	-	-	13	-	497	25,569	26,079
Acquisition of subsidiary	-	-	-	167	-	-	167
Disposals	-	-	-	(38)	-	(15,246)	(15,284)
Transfers between classes	-	-	-	502	(1,869)	1,367	-
At 30 June 2022	22,057	415	436	86,048	51	254,395	363,402
Accumulated depreciation, amortisation and impairment							
At 1 July 2021	9,567	53	118	60,963	-	169,164	239,865
Depreciation and amortisation	3,348	104	72	4,733	-	35,805	44,062
Impairment expense	-	-	-	-	-	47,699	47,699
Disposals	-	-	-	(27)	-	-	(27)
At 30 June 2022	12,915	157	190	65,669	-	252,668	331,599
Net book value	**9,142**	**258**	**246**	**20,379**	**51**	**1,727**	**31,803**
Cost							
At 1 July 2022	22,057	415	436	86,048	51	254,395	363,402
Additions	522	-	-	-	1,625	1,462	3,609
Disposals	(298)	-	-	(25)	-	-	(323)
Remeasurement[1]	2,134	-	21	-	-	-	2,155
Transfers between classes	-	-	-	123	(1,675)	1,552	-
At 30 June 2023	24,415	415	457	86,146	1	257,409	368,843
Accumulated depreciation, amortisation and impairment							
At 1 July 2022	12,915	157	190	65,669	-	252,668	331,599
Depreciation and amortisation[2]	2,826	104	76	63	-	-	3,069
Impairment expense	1,750	-	-	-	-	-	1,750
Disposals	(298)	-	-	-	-	-	(298)
At 30 June 2023	17,193	261	266	65,732	-	252,668	336,120
Net book value	**7,222**	**154**	**191**	**20,414**	**1**	**4,741**	**32,723**

1 Remeasurement arising from a change in the lease term and/or revised contractual payments.
2 No depreciation and amortisation was recognised for owned assets related to the Dalgaranga plant and associated mining infrastructure during the year as the recoverable amount was in excess of the carrying amount.

Mine properties, property, plant and equipment includes $0.5 million (2022: $nil) of additional assets arising from lease arrangements during the year.

13 Mine properties, property, plant and equipment (continued)

Recognition and measurement

Mine properties, property, plant and equipment is stated at cost less accumulated depreciation and amortisation and accumulated impairment expenses.

Items of mine properties, property, plant and equipment are initially recognised at cost at the date of acquisition when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the item can be reliably measured. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only where it is probable that future economic benefits will flow to the Group and the cost of the item can be measured reliably.

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised in profit or loss.

Mine properties under development

Mine properties under development (within mine properties) represents the costs incurred in preparing mines for production and includes plant and equipment under construction and operating costs incurred before production commences.

Once production commences, these costs are transferred to property, plant and equipment and mine properties as appropriate, and are depreciated and amortised using the units of production method based on the estimated economically recoverable resource contained in the mine plan to be extracted to which they relate, or are written off if the mine property is abandoned.

Revenue from gold recovered from a mine before the mine is considered capable of operating in the manner intended by management, and the associated production costs, are recognised through profit or loss.

Mine properties

Mine properties represent the accumulation of all pre-production expenditure incurred in relation to areas of interest for which the technical feasibility and commercial viability of the extraction of mineral resources are demonstrable.

Production is deemed to commence when the mine assets are installed and ready for use in the location and condition necessary for them to be capable of operating in the manner intended by management. These costs are capitalised to the extent they are expected to be recouped through the successful exploitation of the related mining leases.

Mine properties include:

- Capitalised expenditure in relation to exploration, evaluation, feasibility and acquisition costs incurred on projects for which the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.
- The cost of rehabilitation and mine closure relating to assets reflected in mine properties.
- Capitalised development and production stripping costs.
- Pre-production operating costs previously accumulated and carried forward in mine properties under development, transferred to mine properties in relation to areas of interest in which mining has now commenced.
- Associated mine infrastructure including access roads, evaporation ponds, tailings facility and the airstrip.
- Mining contractor mobilisation costs.

Mine properties are amortised on a units of production basis over the economically recoverable ore reserve contained in the relevant mine plan.

When further development expenditure is incurred in respect of a mine property after the commencement of production, such expenditure is carried forward as part of the mine property only when it is probable that the additional future economic benefits associated with the expenditure will flow to the Group. Otherwise such expenditure is classified as part of the cost of production.

Right-of-use assets

Right-of-use (ROU) assets, representing the Group's right to use an underlying leased asset for the lease term, are measured at cost, less any accumulated depreciation and impairment, and adjusted for any remeasurement of lease liabilities. Refer to note 17 for the Group's lease accounting policy and the related accounting estimates and judgements.

13 Mine properties, property, plant and equipment (continued)

Capital work in progress

Capital work in progress represents expenditure incurred on mine asset enhancement and sustainment projects which are incomplete at the reporting date and are therefore not yet depreciated or amortised.

Deferred stripping costs

Stripping costs are incurred in both development and production phases during the removal of overburden and waste materials in order to access the ore.

Development stripping costs

Overburden and other mine waste materials removed during the initial development of an open pit mine in order to access the mineral deposit is referred to as development stripping. Costs directly attributable to development stripping, inclusive of an allocation of relevant overhead expenditure, are capitalised in mine properties under development when future economic benefits are probable.

Capitalisation of development stripping costs cease at the time that ore begins to be extracted from the mine. Development stripping costs are amortised over the useful life of the ore body that access has been provided to on a units of production basis, based on the estimated economically recoverable ore reserve contained in the mine plan to be extracted.

Production stripping costs

Production stripping commences when ore begins to be extracted from the mine and normally continues throughout the life of a mine. The costs of production stripping are recognised as operating costs in profit or loss, when the current ratio of waste material to ore extracted for a component of the ore body is below the expected stripping ratio of that component or production stage.

When the ratio of waste to ore is not expected to be constant, production stripping costs are accounted for as follows:

- All costs are initially charged to profit or loss as operating costs.
- When the current ratio of waste to ore is greater than the estimated ratio of a component of the ore body, a portion of the stripping costs, inclusive of an allocation of relevant site overhead expenditure, is capitalised to mine properties.
- The capitalised stripping asset is amortised on a units of production basis (contained gold ounces mined) over the useful life of the identified component of the ore body to which access has been improved.

The amount of production stripping costs capitalised or charged in a reporting period is determined so that the stripping expense for the period reflects the estimated strip ratio of the economically recoverable ore reserve component over its relevant life. Changes to the estimated waste to ore ratio of a component of the ore body are accounted for prospectively from the date of change.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use.

Depreciation and amortisation

Depreciation commences when an asset is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of assets is calculated using either the straight-line method or units of production method to allocate the assets' cost, net of residual values, over the estimated useful lives of the assets.

Mine-related plant and equipment is depreciated on a units of production basis, except for assets with a useful life less than the life of mine, for which the straight-line method is applied. Non-mine-related plant and equipment is depreciated on a straight-line basis. The depreciation rates used when applying the straight-line method vary between 10% to 33% per annum.

Mine properties are amortised on a units of production basis over the life of the estimated ore reserve of the mine.

Units of production method

Where the useful life of an asset is directly linked to the extraction of ore from a mine, the asset is depreciated using the units of production method. The units of production method results in depreciation and amortisation charges proportional to the depletion of the estimated ore reserve of the mine. The unit of account used in the calculation is ounces fine gold poured except for deferred stripping costs that utilises contained gold ounces mined as the unit of account.

13 Mine properties, property, plant and equipment (continued)

Accounting estimates and judgements

Mine properties under development

Development activities commence after a project is considered economically viable and a final investment decision has been made to develop the asset. In determining economic viability, significant judgement is required in the estimates and assumptions made, including future reserve estimates, existence of an accessible market, forecast prices and cash flows. These estimates and assumptions may be subject to change.

Mine properties

The future recoverability of mine properties is dependent on the generation of sufficient future cash flows from operations or through sale of the respective mine property assets. Factors that could impact the future recoverability of mine properties include resource and reserve estimates, future technological changes, costs of drilling and production, production rates, future legal changes, including changes to environmental restoration obligations, and changes to commodity prices and exchange rates.

Deferred stripping costs

Significant accounting judgements and estimates are required when identifying components of an ore body and estimating stripping ratios and ore reserves by component. Changes to estimates related to life-of-component waste-to-ore strip ratios and the expected ore production from identified components are accounted for prospectively and may affect depreciation rates and asset values.

Depreciation and amortisation

The estimation of useful lives, residual values and depreciation methods requires judgement and is reviewed annually, based on the expected utilisation of the assets. Any changes to current estimations may affect prospective depreciation rates and asset values.

Units of production method

The Group uses the units of production method when amortising mine properties and depreciating other mine-related assets, which results in an amortisation or depreciation charge proportional to the depletion of the anticipated remaining ore reserve. The annual assessment of an asset's economic life includes evaluation of its physical life limitations and current assessments of economically recoverable ore reserves of the mine property at which it is located. These calculations require the use of estimates and assumptions.

Mineral resources and ore reserves estimates

Estimates of economically recoverable quantities of mineral resources and ore reserves also include assumptions requiring significant judgement as detailed in mineral resources and ore reserves statements. The Group estimates its mineral resources and ore reserves in accordance with the 2012 edition of the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the JORC Code 2012). The information on mineral resources and ore reserves was prepared by Competent Persons as defined in the JORC Code 2012.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves, and assumptions that are valid at the time of estimation may change significantly when new information is available. Information obtained through infill drilling, changes in the forecast prices of commodities, exchange rates, operating costs or recovery rates may change the economic status of reserves and may ultimately result in the reserves being restated. Changes in reported reserve estimates can impact the carrying amount of mine properties and related amortisation, exploration and evaluation expenditure, the rehabilitation and mine closure provision, and the recognition of deferred tax assets.

14 Impairment of non-current assets

	2023 $'000	2022 $'000
Dalgaranga Gold Project	-	**47,699**

At each reporting date, the Group assesses whether there is an indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the cash-generating unit by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

The Group completed its assessment of external and internal sources of information at 30 June 2023. The Group identified the transition of the Dalgaranga operations to care and maintenance on 8 November 2023 to be an indicator of impairment.

The review identified that certain right-of-use assets at Dalgaranga were required to be impaired at this date. While the Group would still have the assets on site and the lease liabilities would still exist, the Group would no longer obtain benefit from and make no use of the assets during the care and maintenance period. As at 30 June 2023, the identified right-of-use assets were impaired in full ($1.8 million).

At 30 June 2023, the Group determined that no impairment is required for the Dalgaranga processing plant and associated infrastructure based on relevant market transactions during the current reporting period. The recoverable amount of the processing plant and associated infrastructure at 30 June 2022 was estimated to be in the range of $23.0 million to $80.0 million based on the market transactions evaluated at that time. The Group considers this range to still be applicable at 30 June 2023 given the absence of any similar material market transactions during the reporting period. The recoverable amount range noted above continues to be on the lower end of the industry and market range, therefore no further impairment of these assets is required at 30 June 2023.

Recognition and measurement

At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have been subject to an impairment expense, or reversal of impairment expense. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent if any, of the impairment expense or reversal. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (CGUs). If the assets that originally formed a CGU do not generate net cash inflows, the individual assets within the original CGU are individually assessed for impairment.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment expense is recognised immediately in profit or loss.

The recoverable amount of a CGU is the higher of its fair value less costs of disposal (FVLCD) and its value in use (VIU). FVLCD is the best estimate of the amount obtainable from the sale of a CGU in an arm's length transaction between knowledgeable willing parties, less the costs of disposal. This estimate is determined on the basis of best available market information considering specific conditions. VIU is the present value of the future cash flows expected to be derived from the CGU or group of CGUs. Cash flow projections are based on economic and regulatory assumptions and forecast trading conditions prepared by management.

Where an impairment expense subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment expense been recognised for the asset or CGU in prior years. A reversal of an impairment expense is recognised immediately in profit or loss.

Accounting estimates and judgements

Assessment of indicators of impairment

The assessment of indicators of impairment or impairment reversal requires significant management judgement. Indicators of impairment may include unfavourable changes in market rates, indication of a decline in asset value, the anticipation of lower than expected asset performance and significant adverse market, technological, economic or legal changes.

14 Impairment of non-current assets (continued)

Assessment of asset or CGU recoverable amounts

The assessment of the recoverable amount of non-current assets involves significant judgements and estimates in relation to the determination of estimated future cash flows expected to be derived from the assets' use and the associated discounting of those cash flows to the estimated present value. CGU recoverable amounts are subject to variability in key estimates and assumptions which include ore reserves, commodity prices, currency exchange rates, discount rates, production profiles, operating and sustaining capital costs and operating performance. The inputs to models used in these assessments are taken from observable markets where possible, but where this is not feasible, management uses the best information available and a degree of judgement is required in establishing recoverable amounts. Changes in assumptions used to estimate VIU or FVLCD could affect the reported recoverable amounts of assets.

15 Exploration and evaluation

	2023 $'000	2022 $'000
At 1 July	84,782	32,881
Expenditure incurred during the year	13,185	8,386
Sale of mineral rights	(631)	-
Sale of exploration interest	-	(446)
Acquisition of exploration asset	-	44,742
Expenditure reclassified to mine properties	(1,462)	(761)
Exploration and evaluation expenditure write-off	(533)	(20)
At 30 June	**95,341**	**84,782**

Exploration expenditure is incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Evaluation expenditures are the costs incurred to establish the technical and commercial viability of developing identified mineral deposits.

There may exist, on the Group's exploration properties, areas subject to claim under native title or containing sacred sites or sites of significance to Aboriginal people. As a result, exploration properties or areas within tenements may be subject to exploration or mining restrictions.

As part of annual impairment testing, the Group's currently held exploration and mining tenements were assessed for any events or issues that would impact the Group's ongoing ability to perform exploration and evaluation activities.

Sale of mineral rights

On 17 October 2022 the Company sold the gold and other mineral rights (excluding iron ore and ferrous mineral rights) of the Beebyn tenement to E79 Gold Mines Limited (E79) for cash proceeds of $0.05 million and $0.1 million worth of E79 shares.

As E79 is now required to satisfy the annual commitments for the gold and other non-ferrous mineral rights for the three years following the sale, it was determined that the Group has effectively discontinued gold exploration activities at Beebyn and would not be able to recover the carrying amount of the tenement. Accordingly, the capitalised expenditure related to the Beebyn tenement was written off in full.

Acquisition of exploration asset

On 10 November 2021 the Group acquired control of Firefly Resources Limited (Firefly). Significant exploration assets acquired comprised of the Firefly Yalgoo Gold Project including the Melville mineral resource, and other exploration tenements within the Yalgoo greenstone belt. Refer to note 25 for details of the acquisition.

15 Exploration and evaluation (continued)

Recognition and measurement

Exploration and evaluation expenditure is capitalised and carried forward on an area of interest basis to the extent that rights to tenure of the area of interest are current and either:

- the expenditure is expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant exploration and evaluation activities in, or in relation to, the area of interest are continuing.

No amortisation is charged during the exploration and evaluation phase.

Reclassification to mine properties

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable and a management decision to invest further has been made, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mine properties under development, within mine properties.

Impairment

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation or through sale of the respective areas of interest.

Exploration and evaluation assets are tested for impairment when reclassified to mine properties under development, or whenever facts or circumstances indicate impairment. An impairment expense is recognised for the amount by which the exploration and evaluation assets' carrying amount exceeds their recoverable amount. The recoverable amount is the higher of the exploration and evaluation assets' fair value less costs of disposal and their value in use.

Assets held for sale

Non-current assets are classified as held for sale if it is highly probable that their carrying amount will be recovered primarily through sale rather than through continuing use, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to complete within one year, subject to regulatory requirements.

Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification and subsequent gains and losses on remeasurement are recognised through profit or loss.

Non-current assets classified as held for sale are presented separately as current assets in the consolidated statement of financial position.

Accounting estimates and judgements

Recovery of capitalised expenditure

The Group has capitalised significant exploration and evaluation expenditure on the basis that such expenditure is expected to be recouped through future successful development or through sale of the areas of interest concerned, or on the basis that it is not yet possible to assess whether it will be recouped and activities are planned to enable that determination.

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the area of interest itself, or if not, whether it successfully recovers the asset through sale.

16 Trade and other payables

	2023 $'000	2022 $'000
Trade payables	2,716	12,363
Employee benefits	44	3
	2,760	**12,366**

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the year which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition or in accordance with the payment terms agreed with the supplier.

Recognition and measurement

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Trade and other payables are presented in current liabilities unless payment is not due within 12 months after the reporting date.

17 Borrowings and lease liabilities

	2023 $'000	2022 $'000
Current		
Delphi loan facility	2,420	-
Lease liabilities	578	3,228
	2,998	**3,228**
Non-current		
Lease liabilities	**11,472**	**8,309**

Refer to note 9 for changes in borrowings and lease liabilities arising from financing activities.

Delphi loan facility

On 25 February 2023, the Company and Delphi entered into a loan and royalty deed, pursuant to which Delphi agreed to provide a $2.45 million unsecured loan to the Company which was mandatorily convertible upon shareholder approval to a future gold royalty over all 100% owned tenements. Interest was payable in arrears at a fixed rate of 15% over the one year term.

On 24 August 2023, the loan was converted to a future gold royalty following shareholder approval on 18 August 2023, with the unsecured loan considered fully repaid under the terms of the Delphi loan and royalty deed.

Lease liabilities

The Group leases power generating and storage facilities, plant and equipment, and property, for which contracts are typically entered into for fixed periods and may include extension options.

Lease liabilities are secured with the rights to leased assets recognised in the financial statements reverting to the lessor in the event of default.

17 Borrowings and lease liabilities (continued)

Tembo Capital facility

On 25 February 2023, Tembo Capital Mining Fund III (Tembo Capital) made a $21.3 million capital investment in Spartan comprising of a $15.0 million secured loan (Tranche A) to mandatorily convert to fully paid ordinary shares in Spartan at $0.10 per share on shareholder approval and a $6.3 million secured loan (Tranche B) to mandatorily convert to a future gold royalty over all 100% owned tenements, upon conversion of Tranche A. On 24 April 2023, both Tranches were converted following shareholder approval on 18 April 2023, with both Tranches considered fully repaid under the terms of the Tembo Capital agreement. The security held by Tembo Capital over the Group's assets was released upon conversion of Tranche A and Tranche B.

Refer to note 12 for more information on the security in place for Tranche B of the Tembo Capital facility that converted to a future gold royalty.

Following shareholder approval on 18 April 2023, an amount of $16.3 million, consisting of Tranche A of $15.0 million and the establishment fee and redemption premium on the Tembo Capital facility of $1.3 million, was converted to equity.

Following the conversion of Tranche A, Tranche B was converted to a future gold royalty. The royalty is payable to Tembo Capital upon the receipt of revenue from the sale of gold produced when production at Dalgaranga and the Company's other projects commences.

Neither the recommencement of production at Dalgaranga or mining from Spartan's remaining tenements are expected to occur in the next 12 months. Refer to note 12 for more information on the future royalty obligation.

Reconciliation of the movements in the Tembo capital facility during the year was as follows:

	$'000
At 1 July 2022	-
Proceeds	21,300
Equity component	(134)
Interest and transactions costs paid	(2,106)
Interest and fees expense	2,092
Balance prior to conversion	21,152
Debt extinguished on conversion[1]	(21,152)
At 30 June 2023	**-**

1 Following conversion of Tranche A, the remaining equity deficit of $887,565 was transferred to accumulated losses as at 30 June 2023 and the loss on extinguishment and conversion of Tranche B of $409,173 was recognised in profit or loss.

Recognition and measurement

Borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowings are derecognised when the contractual obligations are discharged, cancelled or expire. Any difference between the carrying amount of a derecognised liability and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs

Borrowing costs, which do not meet the criteria for capitalisation, are expensed in the period in which they are incurred and reported as finance costs in profit or loss.

17 Borrowings and lease liabilities (continued)

Convertible debt

Compound financial instruments

Compound financial instruments contain both a liability and an equity component, the equity component representing the fair value of the embedded conversion option to convert a fixed amount of liability into a fixed number of shares of the Company.

The fair value of the liability portion of the debt instrument is determined using a market interest rate for an equivalent non-convertible debt instrument at the issue date. The liability component is subsequently recognised on an amortised cost basis until extinguished on conversion or maturity of the debt instrument. The remainder of the debt instrument proceeds is allocated to the conversion option and recognised in equity, net of income tax, and is not subsequently remeasured. Transaction costs

are allocated to the liability and equity components in proportion to the allocation of proceeds. On conversion, the liability is reclassified to equity and no loss or gain is recognised.

Lease liabilities

Lease assessment

At inception of a contract, the Group assesses whether a contract is, or contains, a lease, by determining whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Control is considered to exist if the Group has the right to obtain substantially all of the economic benefits from the use of an explicitly or implicitly identified asset over which the supplier does not have a substantive substitution right, and the right to direct the use of that asset throughout the period of use.

Initial recognition

Leases, other than short-term leases (12 months or less) and leases of low-value assets, are initially recognised as an ROU asset and a corresponding lease liability at the commencement date, which is the date the leased asset is available for use by the Group.

Lease liability measurement

Initial measurement

Lease liabilities are initially measured at the present value of lease payments to be made over the lease term, being the non-cancellable period of the lease and any periods to be covered by the exercise of extension options and the non-exercise of termination options.

The lease payments are discounted using the Group’s incremental borrowing rate (IBR). To determine the IBR, the Group obtains external interest rate advice and adjusts the interest rates to reflect the lease conditions and the underlying asset.

Lease payments included in the measurement of the lease liabilities comprise:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- amounts payable under residual value guarantees; and
- payments arising from purchase, extension or termination options reasonably certain to be exercised by the Group.

Subsequent measurement and remeasurement

Lease liabilities are subsequently measured on an amortised cost basis using the effective interest method.

Lease liabilities are remeasured when there is a change in future lease payments arising from changes in the lease term; the assessment of a purchase option; amounts payable under a residual guarantee; in-substance fixed payments; or a change in an index or rate. A corresponding adjustment is recognised in the ROU asset, or in profit or loss if the carrying amount of the ROU asset has been reduced to nil.

17 Borrowings and lease liabilities (continued)

ROU assets

ROU assets, representing the Group's right to use the underlying leased asset for the lease term, are measured at cost, less any accumulated depreciation and impairment expenses, in accordance with the Group's depreciation and impairment accounting policies.

The initial cost of ROU assets includes:

- the initial measurement of the related lease liabilities recognised;
- any lease payments made on or before the commencement date, less any lease incentives received;
- initial direct costs incurred; and
- restoration cost estimates.

ROU assets are subsequently depreciated, over the shorter of the estimated useful life of the underlying asset and the lease term.

Accounting estimates and judgements

Lease liabilities

The application of AASB 16 *Leases* requires judgements that affect the valuation of lease liabilities and ROU assets. The critical judgements and areas of estimation uncertainty discussed below need to be considered when assessing leases:

Identifying a lease

Identifying whether a contract is, or contains, a lease involves the exercise of judgement about whether the contract depends on a specified asset, the Group obtains substantially all of the economic benefits from the use of the asset and has the right to direct the use of the asset; and the contract is perpetual or for a period of time over which the underlying assets are to be used.

Determining the lease term

In determining the lease term, the Group considers all relevant factors that could provide an economic incentive to exercise extension or termination options, the substance of the contract and whether any economic penalties exist when assessing the contract term beyond the contractual non-cancellable period.

Determining the incremental borrowing rate

Where the Group cannot readily determine the interest rate implicit in the lease, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment.

Therefore, as the IBR reflects what the Group would have to pay, estimation is required when no observable rates are available or when observable rates need to be adjusted to reflect the terms and conditions of the lease.

18 Provisions

	2023 $'000	2022 $'000
Current		
Employee benefits	717	2,584
Royalty payments	-	1,111
	717	**3,695**
Non-current		
Employee benefits	89	115
Rehabilitation and mine closure	52,109	47,194
	52,198	**47,309**

Movements in the rehabilitation and mine closure provision during the year are as follows:

	2023 $'000	2022 $'000
At 1 July	47,194	28,057
Expenditure on rehabilitation and closure activities	(109)	(74)
Reassessment of economic assumptions	3,248	18,759
Unwinding of discount	1,776	452
At 30 June	**52,109**	**47,194**

The Group completed a review of the rehabilitation and mine closure provision during the year, which resulted in an increase of $3.2 million (2022: $18.8 million increase) to the provision.

Recognition and measurement

Provisions are recognised when the Group has a present legal or constructive obligation, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost in profit or loss.

Employee benefits

The provision for employee benefits relates to the Group's liabilities for annual leave, long service leave and the short-term incentive plan (STIP).

The current provision represents amounts for annual leave that are expected to be settled within 12 months of the end of the period in which the employees render the service and is measured at the amounts expected to be paid when the liabilities are settled.

18 Provisions (continued)

The liability for long service leave not expected to vest within 12 months after the end of the period in which the employees render the service is recognised in the non-current provision for employee benefits and is measured at the present value of expected future payments to be made in respect of services provided up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields on high quality corporate bonds at the reporting date with terms and currencies that match the estimated future cash outflows as closely as possible.

Where the Group does not have an unconditional right to defer settlement for any annual or long service leave owed, it is classified as a current provision regardless of when the Group expects to realise the provision.

For details of the STIP, refer to the 'Short-term incentives' section of the Remuneration report.

Rehabilitation and mine closure

The Group has obligations to dismantle and remove certain items of mine properties, property, plant and equipment and to restore and rehabilitate the land on which they sit.

A provision is recognised for the estimated cost of settling the rehabilitation and restoration obligations existing at the reporting date, discounted to present value using high quality corporate bond market yields at the reporting date, that match the timing of the estimated future cash outflows as closely as possible.

Where the obligation is related to an item of mine properties, property, plant and equipment, its cost includes the present value of the estimated costs of dismantling and removing the asset and restoring the site on which it is located. The related rehabilitation asset for Dalgaranga is included in mine properties. Costs that relate to obligations arising from waste created by the production process are recognised as operating costs in the period in which they arise.

The discounted value reflects a combination of management's assessment of the nature and extent of the work required, the future cost of performing the work required, the timing of cash flows and the discount rate. Over time, the discounted value is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. This increase in the provision, being the periodic unwinding of the discount due to the passage of time, is recognised as a finance cost in profit or loss.

The provision is reassessed at least annually. A change in any of the assumptions used to determine the provisions could have a material impact on the carrying amount of the provision. Any change in the provision is reflected as an addition to, or deduction from, the related rehabilitation asset in mine properties and amortised as appropriate.

Accounting estimates and judgements

Rehabilitation and mine closure

The provision recognised for rehabilitation and mine closure costs relating to Dalgaranga represents the discounted value of the present obligation to restore, dismantle and rehabilitate certain items of mine properties, property, plant and equipment and to rehabilitate the site.

As the discounted value reflects a combination of management's assessment of the nature and extent of the work required, the future cost of performing the work required, the timing of cash flows and the discount rate, then changes to one or more of these assumptions is likely to result in changes to the carrying amount of the provision and the related rehabilitation asset and costs and may result in future actual expenditure differing from the amounts currently provided.

19 Equity

Share capital

	2023		2022	
	No. of shares	$'000	No. of shares	$'000
Fully paid ordinary shares				
At 1 July	425,924,050	324,496	250,858,128	266,196
Performance rights exercised[1]	5,766,881	650	-	-
Placement[2]	86,439,649	8,644	-	-
Institutional Entitlement Offer[3]	91,403,758	9,140	-	-
Retail Entitlement Offer[4]	84,653,768	8,465	-	-
Placement - NRW [5]	20,000,000	2,000	-	-
Convertible debt - Tembo Capital [6]	162,825,000	16,283	-	-
Employee share scheme[7]	-	-	184,836	59
Acquisition of Firefly[8]	-	-	118,895,126	42,208
Employee remuneration - LTI award[9]	-	-	452,532	118
Private placement[10]	-	-	50,000,000	15,000
Share purchase plan[11]	-	-	5,533,428	1,660
Share issue costs	-	(2,490)	-	(745)
At 30 June	**877,013,106**	**367,188**	**425,924,050**	**324,496**

1 Shares issued on exercise of vested employee performance rights, under the Company's SPR Equity Incentive Plan Rules.
2 Institutional placement of 85,889,649 shares issued on 8 March 2023 and of 550,000 shares issued on 24 April 2023, at $0.10 per share.
3 Shares issued on completion of the institutional component of the accelerated non-renounceable entitlement offer at $0.10 per share, on 8 March 2023.
4 Shares issued on completion of the retail component of the accelerated non-renounceable entitlement offer at $0.10 per share on 3 April 2023.
5 Shares issued to NRW at $0.10 per share, at nil consideration, representing conversion of debt to equity as part settlement of obligations owed to NRW, on 24 April 2023, following shareholder approval on 18 April 2023. Refer note 12.
6 Shares issued to Tembo Capital at $0.10 per share, at nil consideration, representing conversion of convertible debt to equity, on 24 April 2023, following shareholder approval on 18 April 2023. Refer note 17.
7 Shares issued under Employee Share Scheme on 10 September 2021.
8 Shares issued as purchase consideration for acquisition of Firefly on 10 November 2021, refer note 25.
9 Shares issued to former Managing Director and Chief Executive Officer Mr Richard Hay at $0.26 per share, at nil consideration, on 28 January 2022, following shareholder approval on 20 January 2022.
10 Private placement at $0.30 per share on 31 March 2022.
11 Share purchase plan at $0.30 per share on 22 April 2022.

Fully paid ordinary shares have no par value and entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

Every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value.

Non-controlling interests

	2023	2022
	$'000	$'000
At 1 July	1,479	1,352
Non-controlling interests' share of current year exploration expenditure	41	227
At 30 June	**1,520**	**1,479**

19 Equity (continued)

Under the contractual joint venture agreements giving rise to the non-controlling interests (NCI), the Company is required to free carry the NCI by sole funding the joint venture operations until the earlier of the completion of a bankable feasibility study, a decision to commence mining operations, or an election by the non-controlling joint venture partner to convert their respective 20% participation interest to a 2% net smelter return royalty.

Reserves

Convertible debt reserve

The convertible debt reserve comprises the equity component of convertible debt instruments (refer note 17), representing the value of the conversion rights.

Other reserves

	Equity investments reserve $'000	Share-based payments reserve $'000	Exploration asset reserve $'000	Total $'000
At 1 July 2021	-	1,712	(1,040)	672
Share-based payments	-	1,509	-	1,509
Non-controlling interests' share of current year exploration expenditure	-	-	(127)	(127)
Changes in fair value of equity investments	22	-	-	22
At 30 June 2022	**22**	**3,221**	**(1,167)**	**2,076**
Share-based payments	-	3,478	-	3,478
Performance rights exercised	-	(1,598)	-	(1,598)
Non-controlling interests' share of current year exploration expenditure	-	-	(41)	(41)
Changes in fair value of equity investments	(616)	-	-	(616)
Transfer to accumulated losses	(170)	(1,674)	-	(1,844)
At 30 June 2023	**(764)**	**3,427**	**(1,208)**	**1,455**

Equity investments reserve

The equity investments reserve represents the cumulative net change in the fair value of equity investments measured at fair value through other comprehensive income (FVOCI). The Group transfers amounts from this reserve to retained earnings when the relevant equity investments are derecognised.

Share-based payments reserve

The share-based payments reserve recognises the fair value of equity-settled share-based payments provided to eligible employees as part of their remuneration including options issued under the Company's Employee Share Option Plan, and performance rights issued under the Company's SPR Equity Incentive Plan Rules.

Exploration asset reserve

The exploration asset reserve recognises exploration expenditure incurred on contractual joint venture tenements in proportion to any non-controlling interest in the joint venture during the free carry/sole funding period.

Risk management

This section of the notes to the financial statements provides information about the Group's exposure to various risks, how these risks could affect the Group's financial position and performance, and how the Group manages these risks.

20 Financial risk management

The Group's activities expose it to financial risks including market risk, liquidity risk and credit risk, arising from the financial instruments held by the Group. The Board has overall responsibility for the establishment and oversight of a risk management framework, through the Audit and Risk Committee, to ensure that financial activities are governed by policies and procedures and that financial risks are identified, measured and managed in accordance with policies, to support the delivery of financial targets while protecting future financial security. The Audit and Risk Committee is responsible for developing and monitoring the Group's risk management policies.

Financial assets and liabilities

The Group's financial instruments are as below:

2023	**Interest bearing - variable $'000**	**Interest bearing - fixed $'000**	**Non-interest bearing $'000**	**Total $'000**
Financial assets at amortised cost				
Cash and cash equivalents	4,545	30,000	8	34,553
Trade and other receivables[1]	-	-	54	54
Term deposits	-	407	-	407
Financial assets at FVOCI[2]				
Equity investments	-	-	784	784
Total financial assets	**4,545**	**30,407**	**846**	**35,798**
Financial liabilities at amortised cost				
Trade and other payables[1]	-	-	2,628	2,628
Delphi loan facility	-	2,420	-	2,420
Lease liabilities	-	12,050	-	12,050
Other financial liabilities	-	-	6,300	6,300
Total financial liabilities	**-**	**14,470**	**8,928**	**23,398**

1 Excludes balances which do not meet the definition of financial instruments.
2 Fair value through other comprehensive income (FVOCI).

20 Financial risk management (continued)

2022	Interest bearing - variable $'000	Interest bearing - fixed $'000	Non-interest bearing $'000	Total $'000
Financial assets at amortised cost				
Cash and cash equivalents	30,851	-	11	30,862
Trade and other receivables[1]	-	-	28	28
Term deposits	-	407	-	407
Financial assets at FVOCI[2]				
Equity investments	-	-	2,720	2,720
Total financial assets	**30,851**	**407**	**2,759**	**34,017**
Financial liabilities at amortised cost				
Trade and other payables[1]	-	-	11,735	11,735
Lease liabilities	-	11,537	-	11,537
Other financial liabilities	-	-	9,551	9,551
Total financial liabilities	**-**	**11,537**	**21,286**	**32,823**

1 Excludes balances which do not meet the definition of financial instruments.

Recognition and measurement

Initial measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss, which are measured initially at fair value.

Classification and subsequent measurement

Financial assets

Classification and measurement of financial assets are based on the business model in which they are managed and their contractual cash flow characteristics. On initial recognition, financial assets, other than those designated and effective as hedging instruments, are classified as measured at amortised cost using the effective interest method, fair value through other comprehensive income (FVOCI) or, fair value through profit or loss (FVTPL).

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

For financial assets subsequently measured at amortised cost, any interest income, impairment expenses, foreign exchange gains and losses are recognised in profit or loss.

20 Financial risk management (continued)

Financial assets at FVOCI - equity instruments

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (OCI). The election to classify equity investments as equity instruments designated at FVOCI is made on an investment-by-investment basis.

Equity investments designated at FVOCI are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss. On disposal of these equity investments, any related balance within the equity investments reserve is reclassified to retained earnings. Equity investments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets whose contractual cash flows are not solely payments of principal and interest, or are not classified as measured at amortised cost or FVOCI, are measured at FVTPL. Derivative financial assets are measured at FVTPL.

For financial assets subsequently measured at FVTPL, net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Impairment of financial assets

The Group assesses, on a forward-looking basis, the expected credit losses associated with debt instruments measured at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as measured at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards of ownership are transferred.

Financial liabilities are derecognised when they are extinguished, discharged, cancelled or expire.

Any gain or loss on derecognition is recognised in profit or loss.

Accounting estimates and judgements

Fair value measurement

When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets, they are measured using valuation techniques including discounted cash flows (DCF). The inputs to DCF models are taken from observable markets where possible, but where this is not feasible, management uses the best information available and a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and arises from the Group's exposure to movements in commodity prices, interest rates and foreign currency. At the reporting date, the Group has minimal exposure to foreign currency risk as the Group's operations are all located within Australia and material transactions are denominated in Australian dollars, the Group's functional currency.

The Group manages market risk through the use of derivatives, within the guidelines set by the Audit and Risk Committee.

20 Financial risk management (continued)

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The Group is typically exposed to interest rate risk on its outstanding borrowings and short-term cash deposits, as profiled in the 'Financial assets and liabilities' analysis above. The Group's main interest rate risk arises from the variable rates from short-term cash deposits which exposes the Group to cash flow interest rate risk.

Interest rate sensitivity

A change in interest rates of +/- 1% (2022: +/- 1%), representing management's assessment of the reasonably possible change in short-term cash deposit interest rates, would have a favourable/adverse effect on profit before tax of $0.05 million (2022: $0.3 million), assuming that all other factors remain constant.

Commodity price risk

The Group uses derivative commodity contracts to manage its exposure to commodity price fluctuations.

Gold price risk

The Group's exposure to gold price fluctuations is managed by executing derivative gold contracts such as gold forward sales commitments, or purchasing gold put options, all denominated in Australian dollars, refer to notes 4 and 22.

Oil price risk

The Group's diesel fuel costs are exposed to the volatility in crude oil prices. To mitigate the risk of adverse movements in the diesel fuel price, the Group may execute derivative fuel contracts such as diesel swap transaction contracts.

Liquidity risk

Liquidity risk is the risk that that the Group might be unable to meet its financial obligations as they fall due.

The Group manages liquidity risk by monitoring cash flows and ensuring that adequate levels of working capital are maintained.

Contractual maturities of financial liabilities, including estimated interest payments are as follows:

	Within 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Later than 5 years $'000	Total contractual cash flows $'000	Carrying amount $'000
2023						
Trade and other payables[1]	2,628	-	-	-	2,628	2,628
Delphi loan facility	2,832	-	-	-	2,832	2,420
Lease liabilities	1,272	3,265	8,471	1,275	14,283	12,050
Other financial liabilities	-	300	2,000	2,000	2000	6,300
	6,732	**3,565**	**10,471**	**3,275**	**21,743**	**23,398**
2022						
Trade and other payables[1]	11,735	-	-	-	11,735	11,735
Lease liabilities	3,816	3,542	5,626	-	12,984	11,537
Other financial liabilities	4,718	1,923	4,461	-	11,102	9,551
	20,269	**5,465**	**10,087**	**-**	**35,821**	**32,823**

1 Excludes balances which do not meet the definition of financial instruments.

20 Financial risk management (continued)

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

The Group limits its exposure to credit risk in relation to cash and cash equivalents and other financial assets by only dealing with banks and financial institutions with acceptable credit ratings.

The carrying amount of financial assets represents the maximum credit exposure.

Fair value measurement

Fair value hierarchy

As prescribed under AASB 13 *Fair Value Measurement*, financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy, which categorises the inputs to valuation techniques used to measure fair value.

The valuation inputs are categorised as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).

Level 3: Unobservable inputs for the asset or liability - inputs for the asset or liability that are not based on observable market data.

Therefore Level 3 inputs include the highest level of estimation uncertainty.

The fair value of financial instruments that are not traded in active market (for example, over-the-counter derivatives) is determined using valuation techniques.

These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

For financial instruments that are carried at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation, based on the lowest level input that is significant to the fair value measurement as a whole, at the end of each reporting period.

Other than the equity investments referred to in note 12, there were no other financial assets and financial liabilities measured and recognised at fair value on a recurring basis as at 30 June 2023 or 30 June 2022. The carrying amounts of financial assets and liabilities recognised in the financial statements approximate their fair values.

21 Capital risk management

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, pay dividends to shareholders, issue new shares or sell assets.

The Group monitors the adequacy of capital by analysing cash flow forecasts.

The Group manages and adjusts the capital structure when funding is required.

Notes to the financial statements

Unrecognised items

This section of the notes to the financial statements provides information about items not recognised in the financial statements, as they do not satisfy recognition criteria, but which could affect the Group's financial position and performance in future.

22 Commitments

Exploration expenditure

	2023 $'000	2022 $'000
Minimum exploration expenditure commitments due:		
Within one year	1,909	2,328
Between one year and five years	4,188	5,701
Later than five years	3,233	3,066
	9,330	**11,095**

In order to maintain current rights of tenure to exploration tenements, the Group is required to meet minimum expenditure commitments required under the lease conditions. These expenditure obligations can be reduced by selective relinquishment of exploration tenure or application for expenditure exemptions.

Capital expenditure

Group subsidiary GNT Resources Pty Ltd had no commitments for capital expenditures relating to Dalgaranga at the reporting date that were not recognised as liabilities (2022: $0.1 million all due within one year).

Gold delivery commitments

In July 2022, the Group entered into gold forward contracts with MKS PAMP, to partially insulate the Group from increasing volatility in commodity markets until the higher-grade Gilbey's North deposit could be incorporated into the mine plan. A total of 11,000 ounces of gold were hedged for delivery between July and December 2022 at an average price of A$2,555 per ounce.

On the announcement of the transition of the Dalgaranga operations to care and maintenance in November 2022, the then remaining gold forwards were closed out as per the contractual requirements for an immaterial close out cost.

At the reporting date the Group had no contractual sale commitments for gold (30 June 2022: nil ounces).

Recognition and measurement

Gold delivery commitments

The gold forward contracts are settled by the physical delivery of gold as per contract terms. These physical gold forward contracts are considered a contract to sell a non-financial item and therefore do not fall within the scope of AASB 9 *Financial Instruments*. Accordingly, no derivatives are recognised and the gold forward contracts are accounted for as sale contracts with revenue recognised at the agreed price when the contractual commitment is met through physical delivery of gold.

The market value of the outstanding gold forward contracts varies over time as a result of changes in the market price of gold. At each reporting date the Group calculates the fair value of outstanding gold forward contracts and discloses the fair value as either a contingent asset or liability in the notes to the financial statements. The fair value represents the amount which would be received (asset) or paid (liability) if the outstanding obligations were settled on the valuation date, in the event the gold forward contracts were not settled by the physical delivery of gold.

23 Contingent assets and liabilities

Bank guarantees

The Group has provided bank guarantees in favour of service providers for credit card facilities, leased premises and road maintenance responsibilities. The total of these guarantees at the reporting date was $0.4 million (2022: $0.4 million). The bank guarantees are secured by blocked deposits held by the grantor of the guarantee. The deposit accounts are recognised as other financial assets in the consolidated statement of financial position.

24 Events occurring after the reporting date

On 24 July 2023, the Company released an updated Mineral Resource Estimate (MRE) of 3.83Mt @ 5.85g/t Au for 721,200 ounces of contained gold for the Never Never deposit, with the Group MRE increasing to 38.51Mt @ 1.6g/t Au for 1,964,000 ounces of contained gold.

On 18 August 2023, following shareholder approval for a replacement equity incentive plan, Classes D, E, F, and G performance rights were cancelled and replaced with new performance rights, as a result of the inability to meet vesting conditions due to the suspension of operations at Dalgaranga in November 2022.

On 24 August 2023, the Delphi unsecured loan facility was converted to a future gold royalty following shareholder approval on 18 August 2023, with the unsecured loan considered fully repaid under the terms of the Delphi loan and royalty deed.

On 29 August 2023, following shareholder approval on 18 August 2023, the Company changed its name to Spartan Resources Limited. The change of name marks the culmination of what has been a transformational period for the Company and signifies the start of a new era of growth and success.

On 29 August 2023, as part of the Australian Gold Conference Corporate Presentation, the Company noted the decision to defer development of the planned underground exploration drill drive due to cost escalation in the Western Australian mining sector and better than anticipated surface drilling campaign performance so far in 2023 which resulted in an MRE with a classification of 76% Indicated material at the Never Never deposit.

The Directors are not aware of any other matter or circumstance that has arisen since the end of the year which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group, in future years.

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Notes to the financial statements

Other information

This section of the notes to the financial statements provides additional financial information, including information which is not specifically related to individual financial items, and other disclosures which are required to comply with Australian Accounting Standards and other regulatory pronouncements.

25 Asset acquisition

On 10 November 2021, Spartan acquired control of Firefly Resources Limited (Firefly), following implementation of the Scheme of Arrangement (Scheme) relating to the merger of Spartan and Firefly. In accordance with the Scheme, Spartan acquired all of the shares in Firefly and eligible Firefly shareholders were issued Scheme consideration of 0.34 new Spartan shares for every Firefly share held.

The purchase consideration of $45.2 million comprised of ordinary shares issued of $42.2 million and acquisition costs of $3.0 million.

During the year final stamp duty of $2.1 million due on the transaction was paid.

Recognition and measurement

The fair value of the 118,895,126 ordinary shares issued to Firefly shareholders as purchase consideration was measured with reference to the Spartan listed share price of $0.355 on 10 November 2021, the acquisition date.

The transaction was determined to be an asset acquisition, as the acquired assets did not meet the definition of a business combination in accordance with AASB 3 *Business Combinations*.

The acquired assets and assumed liabilities were measured at their fair values at the acquisition date, and transaction costs were included in the capitalised cost of the assets.

No goodwill arose on the asset acquisition and no deferred taxes were recognised on the acquired assets and assumed liabilities, as the initial recognition exemption available under AASB 112 *Income Taxes* was applied.

26 Interests in other entities

Interests in subsidiaries

		Ownership interest	
Subsidiary	**Country of incorporation**	**2023 %**	**2022 %**
Gascoyne Resources (WA) Pty Ltd	Australia	100	100
Dalgaranga Operations Pty Ltd	Australia	100	100
GNT Resources Pty Ltd	Australia	100	100
Egerton Exploration Pty Ltd	Australia	100	100
Dalgaranga Exploration Pty Ltd	Australia	100	100
Gascoyne (Ops Management) Pty Ltd	Australia	100	100
Firefly Resources Limited	Australia	100	100
Gascoyne Mumbakine Pty Ltd	Australia	100	100
Gascoyne Andy Well James Pty Ltd	Australia	100	100
Aurum Minerals Pty Ltd	Australia	100	100
Yalgoo Exploration Pty Ltd	Australia	100	100
Lightning Bug Resources Pty Ltd	Australia	100	100
Dalgaranga Joint Ventures[1]	Unincorporated	80	80

1 Principal place of business is Perth, Western Australia.

26 Interests in other entities (continued)

Spartan is party to two contractual joint ventures to undertake mineral exploration on tenements that form part of Dalgaranga. The joint venture entities are classified as subsidiaries of the Group in accordance with AASB 10 *Consolidated Financial Statements*.

The Dalgaranga Joint Ventures' activities include the exploration of the joint venture tenements for minerals and if successful, to develop and mine minerals within the joint venture tenements. Under the terms of the agreements Spartan is required to free carry the vendors' participating interest in the joint ventures by sole funding the joint venture costs until the earlier of the completion of a bankable feasibility study, a decision to commence mining operations, or an election by the non-controlling joint venture partner to convert their respective 20% participation interest to a 2% net smelter return royalty. If an election is made to convert the 20% participation interest to a net smelter royalty, the Group's ownership interest in the respective joint ventures' net assets will increase to 100%.

27 Related party transactions

Key management personnel remuneration

	2023 $	2022 $
Short-term employee benefits	2,982,626	2,917,947
Long-term employee benefits	(10,446)	(45,125)
Post-employment benefits	179,030	169,344
Share-based payments	2,636,099	1,236,828
	5,787,309	**4,278,994**

Detailed KMP remuneration disclosures are provided in the 'Remuneration report' section of the Directors' report.

Other transactions with key management personnel

Mr S Lawson is a Director of Firetail Resources Limited (Firetail) and has the capacity to significantly influence decision making of Firetail. The Company holds a 7.57% share interest in Firetail, on the same basis as other shareholders.

Transactions between the Group and Firetail during the year were based on normal commercial terms and conditions and are considered to be trivial in nature.

There were no other transactions between the Company and KMP during the year.

28 Share-based payments

Employee share-based remuneration

Benefits in the form of share-based remuneration are provided to employees via the Company's incentive plans. The total of share-based payments recognised in profit or loss during the year as part of employee benefits expense was $3,477,929 (2022: $1,568,252).

28 Share-based payments (continued)

Employee performance rights

	2023 No. of rights	2022 No. of rights
Employee performance rights		
Outstanding at 1 July	22,811,340	400,000
Granted during the year[1]	3,100,000	24,581,492
Exercised during the year	(5,766,881)	-
Forfeited during the year	(475,663)	(2,170,152)
Outstanding at 30 June[2]	**19,668,796**	**22,811,340**
Exercisable at 30 June[3]	**6,568,796**	**780,670**

1 Includes performance rights (rights) granted and issued on 11 July 2022, following reallocation of 1,600,000 forfeited rights to new and existing employees as permitted by the shareholder-approved 'SPR Equity Incentive Plan Rules' (Incentive plan). A grant date weighted average fair value of $0.228 was assigned to the reallocated rights. The vesting date and the terms and conditions of the reallocated rights remain the same as for the forfeited rights.
2 Class D, E, F and G rights expire on 30 June 2033 and have been cancelled and replaced with new performance rights, following shareholder approval on 18 August 2023 for a replacement equity incentive plan.
3 Performance rights held by employees made redundant, following the Company's decision to place the Dalgaranga operations on care and maintenance, automatically vested as per the terms and conditions of the Incentive plan.

Employee performance rights plan

Eligible employees were entitled to obtain shares or rights to shares in the Company, under the Company's SPR Equity Incentive Plan Rules (Incentive plan) through the grant of performance rights (rights), as part of employee remuneration. Each right entitles the employee to receive a fully paid ordinary share in the Company, for nil consideration on exercise, after vesting. Employee rights do not carry any dividend or voting rights. All rights are equity-settled.

In accordance with the terms of the Incentive plan, rights may be exercised at any time from the vesting date to the date of their expiry. Unvested rights are forfeited within 30 days of cessation of the employee's employment, subject to Board discretion.

Details of rights outstanding at the reporting date, including rights granted during the year, under the Incentive Plan are as follows:

	March 2021	August 2021	November 2021[1]	December 2021[1]	July 2022[1]	August 2022[1]
Number granted	400,000	2,131,492	9,750,000	12,700,000	1,600,000	1,500,000
Vested and exercisable	200,000	968,796	3,750,000	1,450,000	200,000	-
Exercised	200,000	566,881	-	4,450,000	550,000	-
Vesting conditions	Service[2]	Service[2]	Performance[3]	Performance[4]	Performance[4]	Performance[4]
Vesting period end date	1 Jul 2022 / 1 Jan 2023	30 Jun 2022 / 2023	12 Nov 2024	12 Nov 2024	12 Nov 2024	12 Nov 2024
Grant date	26 Mar 2021	10 Sep 2021	20 Jan 2022[5]	14 Dec 2021	11 Jul 2022	12 Aug 2022
Expiry date(s)	30 Jun 2032 / 31 Dec 2032	30 Jun 2032 / 2033	30 Jun 2033	30 Jun 2033	30 Jun 2033	30 Jun 2033
Weighted average remaining contractual life	9.3 years	9.5 years	10.0 years	10.0 years	10.0 years	10.0 years
Weighted average fair value at grant date[6]	$0.525	$0.320	$0.249[4]	$0.273	$0.228	$0.232

28 Share-based payments (continued)

1 Class D, E, F and G rights expire on 30 June 2033 and were cancelled on the 8 September 2023 and replaced with new performance rights, following shareholder approval on 18 August 2023 for a replacement equity incentive plan.
2 The rights contain a service condition, vesting in two equal tranches on each of the vesting dates listed above.
3 The rights are comprised of three tranches. Tranches 1 and 2 contain non-market performance conditions, based on the delivery of minimum ore mining volumes at minimum grades on non-Gilbey's deposits. Tranche 3 contains a market condition based on a 60-day VWAP share price target of $0.600. For further details of the vesting conditions, refer to the 'LTI award' section in the 'Remuneration report' section of the Directors' report in the Annual Report for the year ended 30 June 2022.
4 The rights are comprised of three tranches. Tranches 1 and 2 contain non-market performance conditions, based on the delivery of a minimum ore grade and total gold ounce production target at Dalgaranga over a rolling 12 month period. Tranche 3 contains a market condition based on a 30-day VWAP share price target of $0.550. Class D, E, F and G rights expire on 30 June 2033 and have been cancelled and replaced with new performance rights, following shareholder approval on 18 August 2023 for a replacement equity incentive plan. For further details of the vesting conditions, refer to the 'LTI award' section in the 'Remuneration report' section of the Directors' report in the Annual Report for the year ended 30 June 2022.
5 The service period commenced on 13 November 2021 with an estimated fair value of $0.377 per right. Shareholder approval was obtained on 20 January 2022 and the fair value was adjusted prospectively to reflect a grant date of 20 January 2022.
6 Refer to the 'Fair value of rights granted' section in this note.

Fair value of rights granted

March and August 2021 awards

The fair value assigned to each right at grant date was the underlying share price of the Company's shares at the grant date, as the rights contain a service condition only and there is no expectation of dividends being declared during the vesting period.

July and August 2022, November and December 2021 awards

The fair value of rights at grant date was independently determined using a combination of the Black Scholes (Tranches 1 and 2 non-market vesting conditions) and Monte Carlo simulation (Tranche 3 market based vesting condition) models.

The following model inputs were used in the measurement of the fair values at grant date during the year:

	July 2022	August 2022
Share price at grant date	$0.265	$0.270
Exercise price	$nil	$nil
Expected volatility	65%	65%
Risk-free interest rate	3.169%	3.174%
Expected life	2.3 years	2.3 years
VWAP hurdle	$0.55	$0.55

Employee share options

	2023		2022	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price[1]
Employee share options				
Outstanding at 1 July	-	-	107,000	$7.40
Expired during the year	-	-	(107,000)	$7.40
Outstanding at 30 June	**-**	**-**	**-**	**-**
Exercisable at 30 June	**-**	**-**	**-**	**-**

28 Share-based payments (continued)

Employee share option plan

Eligible employees were entitled to purchase shares in the Company, under the Company's Employee Share Option Plan (ESOP). Employee share options do not carry any dividend or voting rights. All options are equity-settled.

In accordance with the terms of the ESOP, options may be exercised at any time from the vesting date to the date of their expiry. Unvested options expire on the earlier of their expiry date or within 30 days of cessation of the employee's employment, subject to Board discretion.

Valuations of options may not necessarily represent the market price of the options at the date of valuation.

Recognition and measurement

Employee share-based payments

The fair value of equity-settled share-based payment awards (awards), measured at grant date, is recognised as an employee benefits expense with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date). The total amount to be expensed is determined by reference to the fair value of the awards granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions, for example, profitability and revenue growth targets.

At each reporting date, the Company revises its estimate of the number of awards that are expected to become exercisable. The employee benefits expense recognised each period includes the most recent estimate.

Upon the exercise of awards, the balance of the share-based payments reserve relating to those awards is transferred to share capital.

Fair value of rights

The fair value of rights at grant date is determined using the most appropriate valuation model, taking into consideration the terms and conditions upon which the rights were issued, including market and non-vesting conditions.

Fair value of options

The fair value of options at grant date is determined using a Black Scholes option pricing model that considers the exercise price, term of the option, share price at grant date of the underlying share, expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option.

Accounting estimates and judgements

Valuation methodology

Management and external specialists use Black Scholes and Monte Carlo simulation pricing models to determine the fair values of options and rights granted. Both the selection of the valuation methodology and various inputs to models are subject to judgement.

29 Auditor's remuneration

	2023 $	2022 $
Audit and review of financial statements	**212,500**	**142,550**

The auditor of the parent entity Spartan Resources Limited is Grant Thornton Audit Pty Ltd.

30 Parent entity financial information

Summary financial information

The individual financial statements of Spartan Resources Limited, the parent entity, are summarised below:

	2023 $'000	2022 $'000
Current assets	34,758	12,598
Non-current assets	69,943	78,198
Total assets	**104,701**	**90,796**
Current liabilities	3,978	5,140
Non-current liabilities	6,387	200
Total liabilities	**10,365**	**5,340**
Net assets	**94,336**	**85,456**
Issued capital	367,188	324,496
Equity investments reserve	(764)	22
Share-based payments reserve	3,427	3,221
Accumulated losses	(275,515)	(242,283)
Total equity	**94,336**	**85,456**
Financial performance		
Loss for the year	**(35,136)**	**(81,379)**

Determining the parent entity financial information

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except for tax consolidation legislation as referred to in note 7.

Contingent liabilities

Refer to note 23 for details of a bank guarantee given by the parent entity for leased premises.

Contractual commitments for the acquisition of property, plant and equipment

The parent entity had no contractual commitments for the acquisition of property, plant and equipment as at the reporting date (2022: $nil).

31 Summary of other significant accounting policies

The Group's accounting policies referred to in this financial report are consistent in all material respects with those applied in the previous year. Significant accounting policies not already disclosed in the notes to the financial statements above are presented in this note.

Principles of consolidation

Subsidiaries

The Group financial statements consolidate those of the parent company and all of its subsidiaries as at the reporting date. A subsidiary is an entity that is controlled by the parent. The parent controls an entity if it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

31 Summary of other significant accounting policies (continued)

The consolidated financial statements are prepared using uniform accounting policies for each Group member and all Group members have a 30 June reporting date.

The Group consolidates the assets, liabilities and results of a subsidiary from the date on which it first controls the entity. On loss of control of a subsidiary the Group derecognises the assets and liabilities of the former subsidiary, and recognises any investment it retains in its former subsidiary in accordance with the relevant accounting standard(s).

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group entities. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

A non-controlling interest is recognised in the consolidated statement of financial position within equity where an entity outside of the Group has an ownership interest in a subsidiary or its net assets.

Joint ventures

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint venture is a joint arrangement in which the parties have rights to the net assets of the arrangement. Investments in joint ventures are recognised as an investment and are typically accounted for using the equity method of accounting. The Dalgaranga Joint Ventures, refer to note 26, are classified as subsidiaries of the Group, based on the Group's controlling interest in the joint ventures.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing transactions which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

New and revised standards adopted by the Group

The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of new and revised standards and interpretations has had no effect on the amounts reported for prior periods.

There are no new standards and interpretations in issue which are mandatory for 30 June 2023 reporting periods that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Amendment to AASB 116 Property, Plant and Equipment - Proceeds before intended use

The Group adopted the amendment to AASB 116 *Property, Plant and Equipment* from 1 July 2022, which is effective for financial periods beginning on or after 1 January 2022. This amendment prohibits an entity from deducting any proceeds received from selling items produced while preparing an asset for its intended use from the cost of an item of property, plant and equipment.

31 Summary of other significant accounting policies (continued)

Following adoption of the amendment while preparing property, plant and equipment for its intended use, the Group recognises the sales proceeds from selling items produced in the pre-production phase, and the related costs of producing those items, in profit or loss, instead of recognising the amounts received in capitalised pre-production costs, which is now prohibited. The Group measures the cost of producing the items applying the measurement requirements of AASB *102 Inventories*.

Operating cash flows generated by mining operations in the pre-production phase are now presented in cash flows from operating activities in the consolidated statement of cash flows.

The impact of adoption of this amendment is not considered to be material to the Group. The Group has amended the relevant accounting policies to reflect this change in accounting treatment.

New and revised standards not yet adopted by the Group

The Group has not elected to early adopt any issued standards and interpretations which are not mandatory for 30 June 2023 reporting periods. All issued standards and interpretations relevant to the Group will be adopted on their effective date. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates* (AASB 2021-2) is effective for financial periods beginning on or after 1 January 2023 and was adopted by the Group on 1 July 2023.

AASB 2021-2 - Disclosure of Accounting Policies

AASB 2021-2 amends AASB 101 *Presentation of Financial Statements* and AASB Practice statement 2 *Making Materiality Judgements* by requiring entities to disclose material accounting policies rather than significant accounting policies and providing guidance on how entities apply the concept of materiality to accounting policy disclosure. Immaterial accounting policy information does not need to be disclosed.

AASB 2021-2 - Definition of Accounting Estimates

AASB 2021-2 amends AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* by introducing a new definition of accounting estimates and clarifying the distinction between changes in accounting estimates (applied prospectively) and changes in accounting policies (generally applied retrospectively).

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ASX additional information

The following information required by the ASX Listing Rules not disclosed elsewhere in this report is set out below and is current as at 22 September 2023.

Corporate Governance Statement

The Company's Corporate Governance Statement is set out at:

https://spartanresources.com.au/company-overview/corporate-governance/

Voting rights

Fully paid ordinary shares

On a show of hands, every holder of fully paid ordinary shares present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote in accordance with the Company's Constitution.

Performance rights

Performance rights hold no voting rights.

Distribution of shareholdings – ordinary fully paid shares (ASX:SPR)

Size of holding	Number of shareholders	Number of shares	% of Issued capital
1 - 1,000	1,820	509,978	0.06
1,001 - 5,000	1,615	4,264,897	0.49
5,001 - 10,000	747	5,747,069	0.65
10,001 - 100,000	1,742	62,796,325	7.16
100,001 and over	513	804,301,765	91.65
	6,437	**877,620,034**	**100.00**

There were 1,998 holders of less than a marketable parcel of shares.

Distribution of unquoted equity securities – employee performance rights

Size of holding	Number of rights holders	Number of rights	% of Outstanding rights
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	1	35,928	0.04
100,001 and over	42	80,742,595	99.96
	43	**80,778,523**	**100.00**

ASX additional information

Distribution of unquoted equity securities – employee performance rights class and number of holders

Security	Number of rights holders	Number of rights on issue
Class A	8	530,934
Class B	1	100,000
Class C	8	430,934
Class D	7	1,716,663
Class E	7	1,716,663
Class F	6	466,674
Class G	1	1,250,000
Class H	35	12,663,331
Class I	35	12,663,331
Class J	35	23,913,331
Class K	35	12,663,331
Class L	35	12,663,331

Holders greater than 20% - Not applicable - Issued under Employee Incentive Scheme

Twenty largest shareholders

Rank	Shareholder	Number of shares	% of Issued capital
1	Tembo Capital Holdings UK Limited	162,825,000	18.55
2	Deutsche Balaton	133,971,843	15.27
3	Citicorp Nominees Pty Limited	92,603,493	10.55
4	NRW Holdings Limited	56,935,762	6.49
5	HSBC Custody Nominees (Australia) Limited	56,427,394	6.43
6	BNP Paribas Nominees Pty Ltd <Ib Au Noms Retailclient Drp>	29,612,978	3.37
7	Treasury Services Group Pty Ltd <Nero Resource Fund A/C>	21,171,630	2.41
8	National Nominees Limited	13,944,544	1.59
9	Precision Opportunities Fund Ltd <Investment A/C>	10,000,000	1.14
10	UBS Nominees Pty Ltd	6,480,000	0.74
11	J P Morgan Nominees Australia Pty Ltd	6,436,130	0.73
12	Parabolica Capital Pty Ltd	5,800,000	0.66
13	Mr Julian Badari	5,500,000	0.63
14	Mr Ian Davies	5,052,520	0.58
15	BNP Paribas Noms Pty Ltd <Drp>	4,091,551	0.47
16	Phil Coulson	3,895,220	0.44
17	Mr Simon Lawson	3,763,095	0.43
18	Tiforp Pty Ltd <Tiforp A/C>	3,263,232	0.37
19	Mrs Shani Ekanayake	2,688,163	0.31
20	Jecala Pty Limited <Jecala Super Fund A/C>	2,296,482	0.26
		626,759,037	**71.42**

ASX additional information

Substantial shareholders[1]

Shareholder	Number of shares	% of Issued capital
Tembo Capital Holdings UK Limited	162,825,000	18.55
Deutsche Balaton AG	134,181,843	15.27
Citicorp Nominees Pty Limited	56,649,520	6.45
NRW Holdings Limited	36,935,762	6.07

1 As notified in substantial shareholder notices received by the Company.

On-market buy-back

The Company is not currently conducting an on-market buy-back.

Restricted securities or securities subject to voluntary escrow

177,240 fully paid ordinary shares issued to employees on 10 September 2021 under the SPR Equity Incentive Plan Rules are subject to a three-year escrow period from the date of issue. The escrow period applies while the recipient remains employed by the Group.

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Tenement schedule

As at 30 June 2023

Tenement	Tenement name	Mineral targeted	Location	Ownership interest
EL21/195	Dalgaranga	Gold	Murchison Region	80% Spartan Resources
EL21/195	Dalgaranga	Gold	Murchison Region	100% Spartan Resources
EL59/1709	Dalgaranga	Gold	Murchison Region	100% Spartan Resources
EL59/1904	Dalgaranga	Gold	Murchison Region	100% Spartan Resources
EL59/1906	Dalgaranga	Gold	Murchison Region	100% Spartan Resources
EL59/2053	Dalgaranga	Gold	Murchison Region	100% Spartan Resources
EL59/2150	Dalgaranga	Gold	Murchison Region	100% Spartan Resources
L59/141	Dalgaranga	Gold	Murchison Region	100% Spartan Resources
L59/142	Dalgaranga	Gold	Murchison Region	100% Spartan Resources
L59/151	Dalgaranga	Gold	Murchison Region	100% Spartan Resources
L59/152	Dalgaranga	Gold	Murchison Region	100% Spartan Resources
L59/153	Dalgaranga	Gold	Murchison Region	100% Spartan Resources
L59/167	Dalgaranga	Gold	Murchison Region	100% Spartan Resources
L59/168	Dalgaranga	Gold	Murchison Region	100% Spartan Resources
L59/169	Dalgaranga	Gold	Murchison Region	100% Spartan Resources
L59/170	Dalgaranga	Gold	Murchison Region	100% Spartan Resources
ML59/749	Dalgaranga	Gold	Murchison Region	100% Spartan Resources
EL51/1681	Beebyn	Gold	Murchison Region	100% Spartan Resources
EL59/2077	Yalgoo	Gold	Murchison Region	100% Spartan Resources
EL59/2140	Yalgoo	Gold	Murchison Region	100% Spartan Resources
EL59/2230	Yalgoo	Gold	Murchison Region	100% Spartan Resources
EL59/2252	Yalgoo	Gold	Murchison Region	100% Spartan Resources
EL59/2284	Yalgoo	Gold	Murchison Region	100% Spartan Resources
EL59/2289	Yalgoo	Gold	Murchison Region	100% Spartan Resources
EL59/2295	Yalgoo	Gold	Murchison Region	100% Spartan Resources
EL59/2363	Yalgoo	Gold	Murchison Region	100% Spartan Resources
EL59/2364	Yalgoo	Gold	Murchison Region	100% Spartan Resources
EL59/2456	Yalgoo	Gold	Murchison Region	100% Spartan Resources
EL59/2458	Yalgoo	Gold	Murchison Region	100% Spartan Resources
EL59/2468	Yalgoo	Gold	Murchison Region	100% Spartan Resources
EL59/2469	Yalgoo	Gold	Murchison Region	100% Spartan Resources
EL59/2534	Yalgoo	Gold	Murchison Region	100% Spartan Resources
EL59/2688*	Yalgoo	Gold	Murchison Region	100% Spartan Resources
ELA59/2457	Yalgoo	Gold	Murchison Region	100% Spartan Resources
ELA59/2459	Yalgoo	Gold	Murchison Region	100% Spartan Resources
ELA59/2460	Yalgoo	Gold	Murchison Region	100% Spartan Resources
ELA59/2478	Yalgoo	Gold	Murchison Region	100% Spartan Resources
ELA59/2543	Yalgoo	Gold	Murchison Region	100% Spartan Resources
ELA59/2544	Yalgoo	Gold	Murchison Region	100% Spartan Resources
ELA59/2615	Yalgoo	Gold	Murchison Region	100% Spartan Resources
ELA59/2616	Yalgoo	Gold	Murchison Region	100% Spartan Resources
ELA59/2638	Yalgoo	Gold	Murchison Region	100% Spartan Resources
LA59/200	Yalgoo	Gold	Murchison Region	100% Spartan Resources

Tenement schedule (continued)

Tenement	Tenement name	Mineral targeted	Location	Ownership interest
LA59/201	Yalgoo	Gold	Murchison Region	100% Spartan Resources
LA59/212	Yalgoo	Gold	Murchison Region	100% Spartan Resources
ML59/0057	Yalgoo	Gold	Murchison Region	100% Spartan Resources
ML59/0384	Yalgoo	Gold	Murchison Region	100% Spartan Resources
MLA59/767	Yalgoo	Gold	Murchison Region	100% Spartan Resources
PL59/2040	Yalgoo	Gold	Murchison Region	100% Spartan Resources
PL59/2042	Yalgoo	Gold	Murchison Region	100% Spartan Resources
PL59/2086	Yalgoo	Gold	Murchison Region	100% Spartan Resources
PL59/2087	Yalgoo	Gold	Murchison Region	100% Spartan Resources
PL59/2134	Yalgoo	Gold	Murchison Region	100% Spartan Resources
PL59/2158	Yalgoo	Gold	Murchison Region	100% Spartan Resources
EL09/1325	Glenburgh	Gold	Gascoyne Region	100% Spartan Resources
EL09/1764	Glenburgh	Gold	Gascoyne Region	100% Spartan Resources
EL09/1865	Glenburgh	Gold	Gascoyne Region	100% Spartan Resources
EL09/1866	Glenburgh	Gold	Gascoyne Region	100% Spartan Resources
EL09/2025	Glenburgh	Gold	Gascoyne Region	100% Spartan Resources
EL09/2148	Glenburgh	Gold	Gascoyne Region	100% Spartan Resources
ELA09/2352	Glenburgh	Gold	Gascoyne Region	100% Spartan Resources
L09/56	Glenburgh	Gold	Gascoyne Region	100% Spartan Resources
L09/62	Glenburgh	Gold	Gascoyne Region	100% Spartan Resources
ML09/148	Glenburgh	Gold	Gascoyne Region	100% Spartan Resources
ML09/181	Glenburgh	Gold	Gascoyne Region	100% Spartan Resources
EL52/2117	Mt Egerton	Gold	Gascoyne Region	100% Spartan Resources
EL52/2515	Mt Egerton	Gold	Gascoyne Region	100% Spartan Resources
EL52/3574	Mt Egerton	Gold	Gascoyne Region	100% Spartan Resources
EL52/3756	Mt Egerton	Gold	Gascoyne Region	100% Spartan Resources
EL52/3894	Mt Egerton	Gold	Gascoyne Region	100% Spartan Resources
ML52/343	Mt Egerton	Gold	Gascoyne Region	100% Spartan Resources
ML52/567	Mt Egerton	Gold	Gascoyne Region	100% Spartan Resources

Abbreviations used in Tenement schedule:

EL	Exploration Licence	ELA	Exploration Licence Application
L	Miscellaneous Licence	LA	Miscellaneous Licence Application
ML	Mining Lease	MLA	Mining Lease Application
PL	Prospecting Licence	PLA	Prospecting Licence Application

SPARTAN RESOURCES

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