

## Sale of Hobbes Exploration Licence for \$12.5M

### Highlights

- **Solstice (80%) and minority owner (20%) have each entered into a binding Sale and Purchase Agreement (“Agreement”) with Northern Star (Carosue Dam) Pty Ltd to sell 100% of the Hobbes Exploration Licence for total consideration of \$12.5 million.**
- **The Hobbes Exploration Licence contains the Hobbes Gold Deposit and is located near Northern Star’s open-pit and underground gold mines at Porphyry, and proximal to its Carosue Dam production hub.**
- **Completion of the Sale is seen as a logical step for monetising the Hobbes asset and will add A\$10m to Solstice’s \$8.2m cash balance (as at 31 December 2023) to underpin the search for new gold deposits across the Company’s extensive Yarri Project and other landholdings.**
- **Solstice continues to assess new targets that would complement the current Yarri gold tenure, and commercial opportunities that can add value for shareholders.**
- **The Agreement is subject to limited conditions precedent and is expected to complete in coming weeks.**

Solstice Minerals (**ASX: SLS**) (**Solstice** or the **Company**) is pleased to announce that it has entered into a binding Sale and Purchase Agreement with Northern Star (Carosue Dam) Pty Ltd (**Northern Star**) to divest its 80% interest in Hobbes exploration licence E31/1117 (**Hobbes Exploration Licence**) (the **Sale**). The remaining 20% interest is held by an unrelated private company (**Minority Holder**) that has also agreed to sell its interest in the Hobbes Exploration Licence to Northern Star on substantially the same terms.

The Hobbes Exploration Licence is proximate to established mining and haul road infrastructure, approximately 5km southwest of the Porphyry Mining Centre, where Northern Star operates open-pit and underground gold mines and is hauling material to its Carosue Dam mill located 36km to the south (Figure 1). The Hobbes Gold Deposit was quantified during 2023 and contains an Inferred Mineral Resource Estimate (**MRE**) of 4.6 million tonnes at 1.2g/t Au for 177,000 ounces of gold<sup>1</sup>. The deposit lies under approximately 40m of barren material and will be most efficiently progressed via nearby infrastructure.

Hobbes is a good example of ‘blind’ gold mineralisation that was hidden under transported cover and discovered reasonably late in the exploration process via aircore drilling. The Company sees excellent potential to locate new mineralisation in similar structural positions elsewhere in

<sup>1</sup> Refer to ASX: SLS 22 March 2023 “Robust Maiden Gold Mineral Resource at Hobbes”.



Solstice's Yarri tenure, and this has been the focus of exploration work since the reporting of the Hobbes MRE.

The divestment of the Company's interest in the Hobbes Exploration Licence will allow the Company to concentrate its resources on new prospects within and around the Yarri Gold Project, Ringlock Dam and the Ponton Project, and assess new commercial opportunities that can add value for shareholders.

The material terms of the Agreement are as follows:

- Solstice will receive \$10m in cash upon completion of the Sale and Purchase Agreement (**Completion**) for its 80% interest in the Hobbes Exploration Licence;
- Completion is subject to the following conditions precedent:
  - assignment and assumption of a royalty agreement affecting the Hobbes Exploration Licence;
  - termination of the existing earn-in agreement between Solstice and the Minority Holder affecting the Hobbes Exploration Licence; and
  - termination of an existing access agreement between Solstice and Northern Star affecting the Hobbes Exploration Licence; and
- Completion will take place within five (5) business days after the satisfaction of the conditions precedent and is expected to occur in coming weeks.

The Agreement otherwise contains terms customary for an agreement of this nature, including in relation to representations and warranties.

In addition, Northern Star is acquiring the 20% interest in the Hobbes Exploration Licence from the Minority Holder for \$2.5m in cash (**Additional Transaction**). The Additional Transaction is conditional upon completion occurring under the Agreement.

In parallel with the Sale, Solstice will purchase a legacy performance obligation to the Minority Holder for \$150,000 cash, payable within 7 days of Completion.



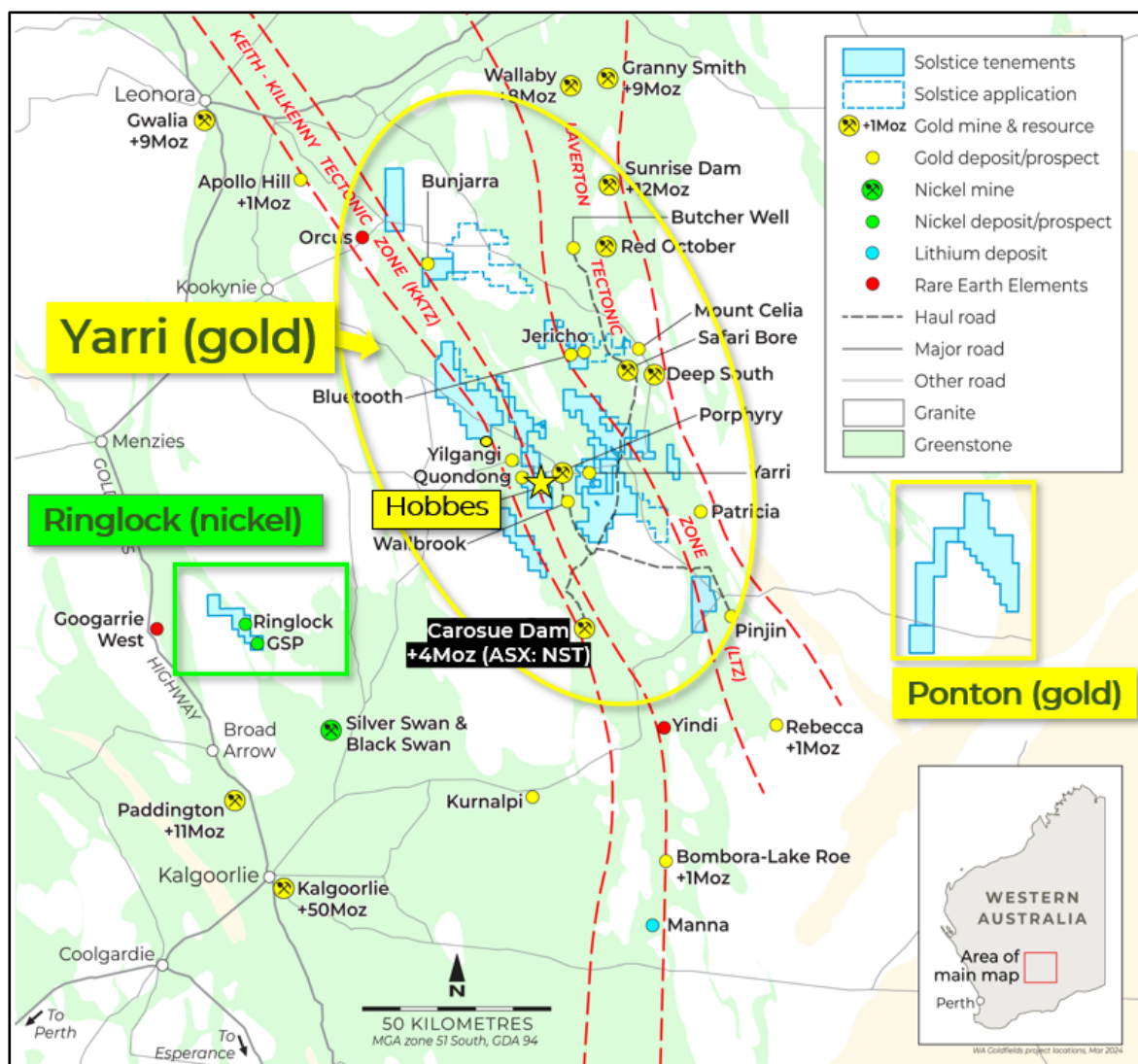


Figure 2: Solstice's Eastern Goldfields Projects

## Forward-Looking Statements

This announcement may contain certain forward-looking statements, guidance, forecasts, estimates, prospects, projections or statements in relation to future matters that may involve risks or uncertainties and may involve significant items of subjective judgement and assumptions of future events that may or may not eventuate (**Forward-Looking Statements**). Forward-Looking Statements can generally be identified by the use of forward-looking words such as "anticipate", "estimates", "will", "should", "could", "may", "expects", "plans", "forecast", "target" or similar expressions and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production and expected costs. Indications of, and guidance on future earnings, cash flows, costs, financial position and performance are also Forward-Looking Statements.

Persons reading this announcement are cautioned that such statements are only predictions, and that actual future results or performance may be materially different. Forward-Looking Statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change, without notice, as are statements about market and industry trends, which are based on interpretation of current market conditions. Forward-Looking Statements are provided as a general guide only and should not be relied on as a guarantee of future performance.



No representation or warranty, express or implied, is made by Solstice that any Forward-Looking Statement will be achieved or proved to be correct. Further, Solstice disclaims any intent or obligation to update or revise any Forward-Looking Statement whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.

### **Previously Reported Results**

The information in this announcement that relates to Exploration Results and Estimates of Mineral Resources is extracted from the ASX announcements (Original Announcements), as referenced, which are available at [www.solsticeminerals.com.au](http://www.solsticeminerals.com.au). Solstice confirms that it is not aware of any new information or data that materially affects the information included in the Original Announcements and, in the case of Estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the Original Announcements continue to apply and have not materially changed. Solstice confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original announcement.