

## **ASX ANNOUNCEMENT**

**5 December 2024**

**Not for release to US wire services or distribution in the United States**

# **A\$220m Placement to Accelerate Re-Commencement of Operations at the Dalgaranga Gold Project**

**In addition to exploration, Placement proceeds to fund underground mine development, infrastructure early works and mill modifications to progress the Dalgaranga mill state of operational readiness**

### **Highlights**

- Firm commitments received from leading domestic and international resource-focused institutional investors to raise A\$220 million via an institutional placement.
  - Spartan's largest shareholder, Ramelius Resources Limited, has subscribed for shares in the Placement to increase its pro-forma ownership to 19.9%.
- The Placement was conducted at an offer price of A\$1.32 per share, representing a discount of approximately 4.9% to the 5-day VWAP to 2 December 2024 and a discount of approximately 7.0% to the last closing price of A\$1.42 per share prior to the Placement.
- The Placement will enable Spartan to accelerate production re-start activities at Dalgaranga including:
  - Continuation of underground mine development towards the Never Never/Pepper Deposits following completion of the underground exploration decline, expected in Q2 CY2025; and
  - Commencement of infrastructure early works (including a paste plant) and mill modifications (including a ball mill) increasing the Dalgaranga Mill state of operational readiness over the next 12-18 months.
- Proceeds from the Placement will also be used to underpin an expanded drilling campaign at Dalgaranga across 2025 and 2026, including:
  - Underground in-fill and extensional drilling in early CY2025 at Never Never/Pepper; and
  - Enlarged campaign of extension drilling at the broader Gilbey's Complex including Never Never "lookalike" priority targets.
- Spartan is progressing a Feasibility Study which is planned for release in mid-2025 based on the recently released December 2024 MRE (with expanded scope including Pepper).
- Spartan is well-funded with a pro-forma cash position of \$290 million on completion of the Placement<sup>1</sup>.

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<sup>1</sup> Based on Spartan's unaudited closing cash of \$70m (that includes term deposits) as at 30 November 2024 and adjusted for gross Placement proceeds (excludes transaction costs).

Spartan Interim Executive Chairman, Simon Lawson, said:

*“This is a pivotal capital raising for Spartan which puts us firmly on track to re-start production and become the next significant mid-tier high-grade gold producer on the ASX. The proceeds significantly strengthen our balance sheet, giving us a pro-forma cash position of \$290 million with no debt. This means we can execute our development strategy while at the same time unlocking the full potential of the Dalgaranga Gold Project through continued aggressive exploration.*

*“The proceeds will be deployed towards enhancing the state of operational readiness at the site, including undertaking mill modifications and infrastructure early works as well as immediately commencing underground development at the high-grade Never Never and Pepper deposits following completion of the underground exploration decline.*

*“We are adopting a diligent and measured approach to a restart of Dalgaranga and the Company is progressing towards a Feasibility Study, scheduled for release in mid-2025. Our expectation is to move to a Final Investment Decision shortly thereafter.*

*“We have come a long way in transforming the Dalgaranga Project in less than two years, and we see further huge potential within 5km of the mill to add ounces and scale beyond Never Never and Pepper. Never Never and Pepper will form the core of the re-start Feasibility Study, and the recent drilling success at the likes of Freak, West Wings, Four Pillars and Patient Wolf present exciting opportunities to further increase the resource base and mineral inventory in order to grow production and mine life.”*

## **Placement Overview**

Spartan Resources Limited (“**Spartan**” or “**Company**”) (ASX: SPR) is pleased to advise that it has received firm commitments to raise A\$220 million (before costs) through a placement to institutional and sophisticated investors (“**Placement**”).

The Placement comprises the issue of approximately 166.7 million new Spartan shares (“**New Shares**”) (representing approximately 15% of Spartan’s existing shares on issue) and was conducted at an offer price of A\$1.32 per share, representing a discount of approximately 4.9% to the 5-day VWAP to 2 December 2024 and a discount of approximately 7.0% to the last closing price of A\$1.42 per share prior to the Placement.

The New Shares will be issued under the Company’s existing placement capacity under ASX Listing Rule 7.1 and are expected to be issued on Thursday, 12 December 2024. The New Shares issued under the Placement will rank equally with existing fully paid ordinary Spartan shares as at their date of issue.

Trading in Spartan shares is expected to resume on the ASX from market open today (Thursday, 5 December 2024).

## Use of Funds

The proceeds from the Placement, when combined with the Company's existing unaudited cash balance of \$70 million at 30 November 2024<sup>2</sup> are intended to be allocated over the next 18-24 months towards:

### **Exploration Decline & Underground Mine Development – \$130.0 million**

- \$106.0m on underground mine development – targeting ~11,000 metres of underground development in CY25/26 – including first ore & multiple development levels.
- \$24.0m to complete the underground exploration decline to a position 50 – 100 metres from the Never Never orebody, including capital infrastructure to support both the decline and UG development.

### **Underground Drilling – \$21.0 million**

- Underground in-fill, extensional and exploration drilling commencing early CY2025 targeting Never Never, Pepper, Freak, Four Pillars, West Winds and other priority targets.

### **Surface Drilling & General Exploration – \$21.5 million**

- Enlarged campaign of extension drilling at the broader Gilbey's Complex including Never Never "lookalike" priority targets.

### **Infrastructure Early Works, Mill Modifications, Operations Readiness & Technical Studies – \$70.0 million**

- \$27.0m for additional site infrastructure early works (incl. Paste Plant).
- \$37.0m for mill modifications, refurbishments and optimisation work (incl. addition of a ball mill/grinding circuit modifications) to increase the Dalgaranga Project's state of operational readiness (incl. hiring of key operations and maintenance personnel)<sup>3</sup>.
- \$6.0m to finalise feasibility and optimisation studies.

### **Buy-back 20% of the 2.5% Tembo/Taurus Royalty – \$4.5 million**

### **Corporate Costs & Working Capital – \$34.0 million**

### **Transaction costs – \$9.0 million**

## Joint Lead Managers

Canaccord Genuity (Australia) Limited and Sternship Advisers Pty Ltd are acting as Joint Lead Managers and bookrunners to the Placement. Euroz Hartleys Limited is acting as Co-Manager to the Placement.

Herbert Smith Freehills is acting as legal adviser to the Company in relation to the Placement.

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<sup>2</sup> The cash balance at 30 November 2024 includes term deposits.

<sup>3</sup> Cost estimates subject to confirmation in upcoming feasibility study expected mid-2025.

## Indicative Placement Timeline

Event	Date
Announcement of Placement and trading halt lifted	Thursday, 5 December 2024
Settlement of Placement New Shares	Wednesday, 11 December 2024
Allotment of Placement New Shares	Thursday, 12 December 2024

*The timetable is indicative only and remains subject to change at the Company's discretion, subject to compliance with the Corporations Act 2001 (Cth), the ASX Listing Rules and any other applicable laws. The quotation of New Shares is subject to confirmation from the ASX.*

## Authorisation

This announcement has been authorised for release by the Board of Spartan Resources Limited.

All dollar amounts are in Australian dollars unless otherwise indicated.

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## **IMPORTANT NOTICE**

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

## **NOT AN OFFER IN THE UNITED STATES**

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

## BACKGROUND ON SPARTAN RESOURCES

Spartan Resources Limited (ASX: SPR) is an ASX-listed gold company that is pursuing a focused high-grade gold exploration and development strategy centred on the 100%-owned Dalgaranga Gold Project, located 65km north-west of Mt Magnet in the Murchison Region of Western Australia.

Spartan has overseen a remarkable turnaround of the Dalgaranga Project – which produced over 70,000oz of gold in FY2022 prior to an operational reset in November 2022 commencing with placing the previous low grade open pit mining operations on care & maintenance.

The discovery of the high-grade Never Never and Pepper Gold Deposits, less than 1km from the existing 2.5Mtpa CIL processing plant and infrastructure, has been instrumental in this turnaround – underpinning a fresh vision and new approach based on the delineation of high-grade ounces close to existing infrastructure.

The Never Never and Pepper gold deposits are one of Australia’s most exciting new gold discoveries, with a combined high-grade underground Mineral Resource Estimate of 2.32Moz (7.76Mt at 9.32g/t) – including an Indicated classification of 1.87Moz (5.92Mt at 9.81g/t) – and remains open along strike and at depth. The recently discovered Freak Prospect is located 110 metres south of Pepper, in the vicinity of the planned underground infrastructure which is currently being developed.

Spartan Resources is focused on continuing to deliver high-grade ounces at its flagship Dalgaranga Gold Project as the foundation for a sustainable long-term operating plan that will deliver strong returns for all key stakeholders.

Spartan is committed to safe and respectful operation as a professional and considerate organisation within a diverse and varied community. Our people represent our culture and our culture is always to show respect to each other and to our community, to respect the unique environment we operate within and to show respect to all of our various stakeholders. This is reinforced by our core SPARTA values:



## GROUP MINERAL RESOURCES

As at 2 December 2024

Region	Project	Deposit	Indicated			Inferred			Total		
			Tonnes (Mt)	g/t Au	Koz (Au)	Tonnes (Mt)	g/t Au	Koz (Au)	Tonnes (Mt)	g/t Au	Koz (Au)
Murchison	Dalgaranga Gold Project	Never Never <sup>1</sup>	3.96	8.64	1,099.7	1.16	9.41	351.2	5.12	8.81	1,450.9
		Pepper <sup>1</sup>	1.96	12.18	767.2	0.68	4.89	106.2	2.64	10.31	873.4
		<b>HG UG Subtotal</b>	<b>5.92</b>	<b>9.81</b>	<b>1,866.9</b>	<b>1.84</b>	<b>7.74</b>	<b>457.4</b>	<b>7.76</b>	<b>9.32</b>	<b>2,324.3</b>
		Four Pillars <sup>2</sup>	1.02	1.85	61.0	0.84	2.22	59.6	1.86	2.02	120.6
		West Winds <sup>2</sup>	2.28	1.95	143.0	1.13	1.81	66.0	3.41	1.91	209.0
		Applewood <sup>2</sup>	0.57	1.78	32.6	0.26	1.65	13.8	0.83	1.74	46.3
		Plymouth <sup>2</sup>	0.01	2.91	1.0	0.11	3.22	11.1	0.12	3.19	12.0
		Sly Fox <sup>2</sup>	0.12	3.06	11.5	1.05	2.88	97.3	1.17	2.90	108.8
		<b>UG Total</b>	<b>9.93</b>	<b>6.63</b>	<b>2,116.1</b>	<b>5.22</b>	<b>4.20</b>	<b>705.2</b>	<b>15.14</b>	<b>5.79</b>	<b>2,821.2</b>
	Never Never OP <sup>1</sup>	0.67	2.10	45.3	0.09	0.88	2.5	0.76	1.96	47.8	
	<b>DGP Total</b>	<b>10.60</b>	<b>6.34</b>	<b>2,161.4</b>	<b>5.31</b>	<b>4.14</b>	<b>707.7</b>	<b>15.90</b>	<b>5.61</b>	<b>2,869.0</b>	
Archie Rose	Archie Rose OP <sup>3</sup>				1.21	1.01	39.1	1.21	1.01	<b>39.1</b>	
Yalgoo	Melville OP <sup>4</sup>	3.35	1.49	160.4	1.88	1.37	83.2	5.24	1.45	<b>243.6</b>	
<b>Murchison Region Total</b>			<b>13.96</b>	<b>5.17</b>	<b>2,321.8</b>	<b>8.40</b>	<b>3.07</b>	<b>830.0</b>	<b>22.34</b>	<b>4.39</b>	<b>3,151.7</b>
Gascoyne	Glenburgh	Op & UG <sup>5</sup>	13.50	1.00	430.7	2.80	0.90	79.4	16.30	0.97	<b>510.1</b>
	Egerton	Open Pit <sup>6</sup>	0.23	3.40	25.0	0.04	1.50	2.0	0.27	3.11	<b>27.0</b>
<b>Gascoyne Region Total</b>			<b>13.73</b>	<b>1.03</b>	<b>455.7</b>	<b>2.84</b>	<b>0.89</b>	<b>81.4</b>	<b>16.57</b>	<b>1.01</b>	<b>537.1</b>
<b>GROUP TOTAL</b>			<b>27.69</b>	<b>3.12</b>	<b>2,777.5</b>	<b>11.24</b>	<b>2.52</b>	<b>911.4</b>	<b>38.91</b>	<b>2.95</b>	<b>3,688.8</b>

Cut-off grades:

1. For Never Never and Pepper, in-situ reporting cut-off grades are >0.5g/t Au for Open Pit and >2.0g/t Au for Underground;
2. For Four Pillars, West Winds, Applewood, Plymouth and Sly Fox, in-situ reporting cut-off grade is >1.2g/t Au for Underground;
3. For Archie Rose, in-situ reporting cut-off grade is >0.5g/t Au;
4. For Melville, in-situ reporting cut-off grade is 0.7g/t Au;
5. For Glenburgh, in-situ reporting cut-off grades are >0.25g/t Au for Open Pit and >2.0g/t Au for Underground; and
6. For Egerton, in-situ reporting cut-off grade is >0.7g/t Au.

## Competent Persons Statement

The Mineral Resource estimates for the Never Never and Pepper Gold Deposits are extracted from the ASX announcement made on 2 December 2024 titled “High-Grade Resource Hits 2.37Moz @ 8.7g/t as Pepper Soars 99% to 873,400oz @ 10.3g/t” is based on information compiled under the supervision of Mr Nicholas Jolly. The Company confirms that it is not aware of any new information or data that materially affects the information included in this market announcement and that all material assumptions and technical parameters underpinning the estimate in this announcement continue to apply and have not materially changed.

The Mineral Resource estimates for Four Pillars, West Winds, Applewood, Plymouth and Sly Fox Deposits referred to in this announcement are extracted from the ASX announcement made on 23 July 2024 titled “High-grade focus delivers 2.48Moz @ 4.79g/t – 47% increase in ounces and 91% in grade”. The Company confirms that it is not aware of any new information or data that materially affects the information included in this market announcement and that all material assumptions and technical parameters underpinning the estimate in this announcement continue to apply and have not materially changed.

The Mineral Resource estimates for the Archie Rose deposit referred to in this announcement are extracted from the ASX announcement dated 8 September 2022 and titled “Gold Resources increase by 15.6% to 1.37Moz with Resource Grade up by 29%”. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimate in the original market announcement continue to apply and have not materially changed.

Information in this announcement relating to exploration results from the Dalgaranga Gold Project (Gilbey’s, Four Pillars, West Winds, Applewood, Plymouth, Sly Fox and Never Never / Pepper deposits) are based on, and fairly represents data compiled by Spartan’s Exploration Manager Mr Monty Graham, who is a member of The Australasian Institute of Mining and Metallurgy. Mr Graham has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person under the 2012 Edition of the Australasian Code for reporting of Exploration Results. Mr Graham consents to the inclusion of the data in the form and context in which it appears.

The Mineral Resource estimate for the Yalgoo Gold Project referred to in this announcement is extracted from the ASX announcement dated 6 December 202 and titled “24% Increase in in Yalgoo Gold Resource to 243,613oz Strengthens Dalgaranga Growth Pipeline”. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimate in the original market announcement continue to apply and have not materially changed.

The Mineral Resource estimate for the Glenburgh Project referred to in this announcement is extracted from the ASX announcement dated 18 December 2020 and titled “Group Mineral Resources Grow to Over 1.3M oz”. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimate in the original market announcement continue to apply and have not materially changed.

The Mineral Resource estimate for the Mt Egerton Project referred to in this announcement is extracted from the ASX announcement dated 31 May 2021 and titled “2021 Mineral Resource and Ore Reserve Statements”. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimate in the original market announcement continue to apply and have not materially changed.

Information in this announcement relating to exploration results for the Glenburgh and Mt Egerton Gold Projects is based on, and fairly represents, data compiled by Spartan’s Senior Exploration Geologist Mr Monty Graham, who is a member of The Australasian Institute of Mining and Metallurgy. Mr Graham has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2012 Edition of the Australasian

Code for reporting of Exploration Results. Mr Graham consents to the inclusion in this announcement of the data relating to the Glenburgh and Mt Egerton Gold Projects in the form and context in which it appears.

## **FORWARD LOOKING STATEMENTS**

This announcement contains forward-looking statements which may be identified by words such as "believes", "estimates", "expects", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

Investors should not place undue reliance on such forward looking statements. Neither the Company, any member of the Company group or their officers, employees, agents or any other person gives any warranty, representation or assurance that the occurrence of the events expressed or implied in any forward looking statement will occur or have or accept any responsibility to update or revise any such forward-looking statement to reflect any change in the Company's circumstances or financial condition, status or affairs or any change in the events or conditions on which such statements are based, except as required under Australian law.