

ASX ANNOUNCEMENT

18 April 2024

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A\$80m Fully Underwritten Equity Raising to Accelerate Exploration and Development of Dalgara Gold Project

Proceeds to fund underground exploration decline to facilitate drill-out of Never Never, Pepper and Four Pillars, ongoing surface drilling, development studies and regional exploration

Highlights

- Fully underwritten \$80m equity raising (**Equity Raising**) comprising:
 - Institutional placement to raise approximately \$47m (**Placement**); and
 - A 1-for-17 pro rata accelerated non-renounceable entitlement offer of 56.8m shares to raise approximately \$33m (**Entitlement Offer**).
- Equity Raising being conducted at a fixed offer price (**Offer Price**) of \$0.58 per share, representing a 11.5% discount to the last closing price of \$0.655 per share on 17 April 2024.
- The Equity Raising follows the Company's continued run of exploration success at the high-grade Never Never deposit and its very recent success with the discovery of the high-grade Pepper Prospect, including an intersection of 17.5m @ 15.9g/t¹:
 - Pepper sits perpendicular to Never Never just 90m to the south and displays the same "Never Never" style mineralisation characteristics;
 - The Pepper discovery further validates Spartan's exploration thesis for the Dalgara Gold Project and will be a key focus for its upcoming drilling campaign along with other key targets including Sly Fox, Four Pillars and West Wings.
- Proceeds from the Equity Raising to be used to underpin a significantly expanded exploration campaign at Dalgara in 2024/25, including:
 - Accelerated Resource extension drilling at Never Never, Pepper and the broader Gilbey's Complex including "lookalike" targets (Sly Fox, Four Pillars, West Wings);
 - The development of an underground exploration decline, which is scheduled to commence in the second half of 2024; and

¹ See Spartan ASX announcement dated 16 April 2024.

- Site infrastructure early works, general working capital, care and maintenance, tenement commitments and corporate and transaction costs.

- Spartan is well-funded with pro-forma cash position of \$110m on completion of the Equity Raising².

Spartan Managing Director and Chief Executive Officer, Simon Lawson, said:

“This is a landmark capital raising for Spartan which puts the Company in an exceptional position to deliver on the huge potential of the Never Never discovery and our other recent exploration successes at Dalgaranga.

“The proceeds will allow us to establish an underground exploration decline that will take underground development to within 50 to 100 metres of the Never Never orebody. This will allow us to cost effectively drill-out Never Never, the new Pepper discovery and Four Pillars to a very high level of definition, while also testing other ‘look-alike’ targets in the vicinity.

“Importantly, the underground exploration decline is also likely to provide for an accelerated pathway to re-commence mining at the time of a Final Investment Decision to re-start production. The Spartan team is committed to ensuring a thorough and diligent approach is taken to the delineation of the high-grade orebodies at Dalgaranga. The proceeds of this capital raise will ensure we have the balance sheet strength to progress our robust and thorough re-start plan, and the financial flexibility to commence early works in advance of the re-start decision.”

Equity Raising Overview

Spartan Resources Limited (**Spartan** or **Company**) (ASX:SPR) has today announced a fully underwritten \$80 million Equity Raising to be conducted via a \$33 million 1-for-17 pro rata accelerated non-renounceable entitlement offer and a \$47 million placement to institutional, professional and sophisticated investors.

The Equity Raising will be conducted at a fixed Offer Price of \$0.58 per share, representing a:

- 11.5% discount to the last closing price of \$0.655 per share on 17 April 2024;
- 5.7% discount to the 5-day VWAP of \$0.615 per share up to and including 17 April 2024; and
- 10.2% discount to the TERP³ of \$0.646 per share on 17 April 2024.

The Equity Raising will result in the issuing of approximately 138 million new shares representing approximately 14% of existing Spartan shares on issue. New shares issued under the Equity Raising will rank equally with existing Spartan shares as at their date of issue.

² Based on Spartan's unaudited closing cash of \$30m (that includes term deposits) as at 31 March 2024 and adjusted for gross Equity Raising proceeds (excludes transaction costs).

³ TERP (theoretical ex rights price) is the theoretical price at which Spartan's ordinary shares should trade at immediately after the ex-date for the Entitlement Offer based only on the last traded price and issuance of Spartan's ordinary shares at the offer price under the Offer.

In accordance with ASX Listing Rule 7.1, the Placement is being undertaken within Spartan's placement capacity and accordingly, no shareholder approval is required in connection with the Placement. New shares issued under the Placement do not have rights to participate in the Entitlement Offer.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 new share for every 17 shares held as at 7:00pm (Sydney time) Monday, 22 April 2024 (**Record Date**).

Eligible institutional shareholders will be invited to participate in the accelerated institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) which is being conducted today (Thursday, 18 April 2024). Under the Institutional Entitlement Offer, eligible institutional and sophisticated shareholders can choose to take up all, part, or none of their entitlement. Entitlements not taken up under the Institutional Entitlement Offer will be offered to eligible institutional and sophisticated investors at the Offer Price.

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) will be open from Friday, 26 April 2024 to 7:00pm (Sydney time) Friday, 10 May 2024 to eligible shareholders with a registered address in Australia or New Zealand as at 7:00pm (Sydney time) Monday, 22 April 2024. Eligible retail shareholders who take up their entitlement in full can also apply for additional shares in excess of their entitlement up to a maximum of 50% of their entitlement under a 'top-up' facility. Additional new shares will only be available where there is a shortfall between applications received from eligible retail shareholders and the number of new shares proposed to be issued under the Retail Entitlement Offer. Spartan and the Joint Lead Managers retain the flexibility to scale back applications for additional New Shares at their discretion. An offer booklet in respect to the Retail Entitlement Offer (**Retail Offer Booklet**) is expected to be lodged on the ASX. The Retail Offer Booklet and accompanying personalised Entitlement and Acceptance Form will be sent electronically to those eligible retail shareholders who have elected to receive electronic communications from Spartan.

Spartan Chairman, Mr Rowan Johnston, and Spartan Non-Executive Director, Mr David Coyne, have committed to taking up their full entitlements in the Entitlement Offer. Spartan Non-Executive Director, Ms Deanna Carpenter, has agreed to sub-underwrite \$30,000 of the Retail Entitlement Offer.

Eligible shareholders who do not take up their entitlement under the Entitlement Offer in full or in part will not receive any value in respect of those entitlements not taken up. The Entitlement Offer is non-renounceable, and rights are not transferrable and will not be traded on the ASX or otherwise.

Further details of the Offer are set out in the Company's investor presentation lodged with the ASX today and will be set out in the Retail Offer Booklet that will be announced on ASX and provided to eligible retail shareholders.

Use of Funds

The proceeds from the Equity Raising, when combined with the Company's existing unaudited cash balance of \$30m at 31 March 2024⁴ are intended to be allocated over the next 18 months towards:

Exploration Drilling & Studies – \$35 million

- \$29 million to be dedicated to accelerated Resource extension drilling at Never Never, Pepper and the Gilbey's Complex including other "lookalike" targets (Sly Fox, Four Pillars, West Wings)¹.
- \$6 million to progress feasibility and optimisation studies.

Underground Exploration Decline – \$38 million

- \$38 million to fund an underground exploration decline with expected commencement in August 2024.
- The exploration decline will take underground development to within an estimated 50 to 100 metres of the Never Never orebody.

Site Infrastructure early works – \$9 million

- A \$9 million allowance to provide Spartan with the opportunity to commence some early works in advance of a restart Final Investment Decision.

Care and maintenance costs, corporate costs and working capital – \$24 million

Transaction costs – \$4 million

Joint Lead Managers

Canaccord Genuity (Australia) Limited, Sternship Advisers Pty Ltd and Euroz Hartleys Limited are acting as Underwriters and Joint Lead Managers to the Equity Raising.

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

⁴ The cash balance at 31 March 2024 includes term deposits.

Indicative Equity Raising Timeline

Event	Date
Trading Halt and announcement of the Equity Raising	Thursday, 18 April 2024
Placement and Institutional Entitlement Offer opens	10:00am (Sydney time) Thursday, 18 April 2024
Placement and Institutional Entitlement Offer closes	9:00am (Sydney time) Friday, 19 April 2024
Announcement of results of Placement and Institutional Entitlement Offer	Monday, 22 April 2024
Trading Halt lifted and shares recommence trading on ASX on an ex-entitlement basis	Monday, 22 April 2024
Record date for Entitlement Offer	7:00pm (Sydney time) Monday, 22 April 2024
Settlement of the Placement and Institutional Entitlement Offer	Friday, 26 April 2024
Retail Entitlement Offer opens, Retail Entitlement Offer Booklet and Acceptance Form made available	Friday, 26 April 2024
Allotment and commencement of trading of New Shares issued under the Placement and Institutional Entitlement Offer	Monday, 29 April 2024
Retail Entitlement Offer closes	7.00pm (Sydney time) Friday, 10 May 2024
Announce results of the Retail Entitlement Offer	Tuesday, 14 May 2024
Allotment of New Shares under the Retail Entitlement Offer	Friday, 17 May 2024
Commencement of trading of New Shares issued under the Retail Entitlement Offer	Monday, 20 May 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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BACKGROUND ON SPARTAN RESOURCES

Spartan Resources Limited (ASX: SPR) is an ASX-listed gold company that has repositioned itself as an advanced exploration company with a rapid pathway back into production at its Dalgaranga Gold Project, located 65km north-west of Mt Magnet in the Murchison District of Western Australia.

Dalgaranga produced over 70,000oz of gold in FY2022 before being placed on care and maintenance in November 2022 to implement an operational reset designed to preserve the value of its extensive infrastructure and Resource base while developing a new, sustainable operating plan.

This approach is underpinned by the exceptional high-grade Never Never gold discovery, which was made in 2022 just 1km from the existing 2.5Mtpa carbon-in-leach processing facility and the main open pit at Dalgaranga.

The Company has moved to rapidly unlock the potential of this significant discovery, which comprises a current JORC Mineral Resource of 952,000oz at an average grade of 5.74g/t ([read the announcement here](#)).

In February 2023, the Company announced an 18-month exploration and strategic plan (**the “365” strategy**) targeting⁵:

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

This strategy is centred around an aggressive exploration program at Never Never designed to target Resource expansion, Reserve definition and near-mine exploration drilling targeting Never Never “lookalikes” including Four Pillars, West Winds and Sly Fox.

In addition to its near-mine exploration at Dalgaranga, Spartan is actively exploring more than 500km² of surrounding exploration tenements and also owns the advanced 244koz Yalgoo Gold Project, where permitting activities are well advanced to establish a potential satellite mining operation at the Melville deposit.

⁵ These are not intended to be a forecast. Spartan's ability to achieve these aims is subject to a number of uncertainties including exploration success.

In addition to Dalgaranga and Yalgoo, the Company's 527koz advanced exploration and development project at Glenburgh—Mt Egerton, located ~300km north of Dalgaranga, has the potential to be a second production hub.

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.

Competent Persons Statement

The Mineral Resource estimates for the Dalgaranga Gold Project (including the Gilbey's North and Never Never (collectively the "Never Never deposits"), Gilbey's, Plymouth and Sly Fox Deposits referred to in this announcement titled "A\$80m Fully Underwritten Equity Raising to Accelerate Exploration and Development of Dalgaranga Gold Project" is based on information compiled under the supervision of Mr Nicholas Jolly. Mr Jolly is a geologist with over 25 years relevant industry experience, a full-time employee of Spartan Resources Limited and is a Member in good standing of the Australian Institute of Geoscientists. Mr Jolly holds securities in Spartan Resources Limited. Mr Jolly 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition). Mr Jolly consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. 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 presentation 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, Pepper, Four Pillars, West Winds, Plymouth, Sly Fox and Never Never 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 holds securities in Spartan Resources Limited. 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 2021 and titled "24% Increase 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 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 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.