

ASX ANNOUNCEMENT

4 November 2024

AGREEMENT TO SELL GLENBURGH AND EGERTON GOLD PROJECTS TO BENZ MINING

Sale of non-core assets is consistent with Spartan's strategic focus on continued high-grade resource growth at its flagship Dalgara Project

Spartan Resources Limited (**Spartan** or **Company**) (ASX: SPR) is pleased to advise that it has entered into a binding agreement to sell its non-core Glenburgh and Egerton Gold Projects in WA to Benz Mining Corp. (**Benz**) (ASX: BNZ) in a cash and scrip transaction valued at up to \$15.6 million that will see it retain exposure to future exploration success at the projects through a significant shareholding in Benz.

The gross consideration payable to Spartan is up to A\$15.6 million, comprising A\$1.0 million in cash¹, A\$8.6 million of Benz CHES Depository Instruments² and up to an additional A\$6.0 million in contingent payments³. Completion of the transaction is expected in December 2024.

Upon completion of the transaction, Spartan will become an approximately 15%⁴ shareholder in Benz and will be entitled to nominate a director to the Board of Benz (subject to satisfaction of certain conditions). As a result of the transaction, Spartan is expected to incur an approximately \$17 million non-cash accounting impairment expense against the carrying value of the Glenburgh and Egerton Projects.

Spartan Interim Executive Chairman, Simon Lawson, said:

"The Glenburgh and Egerton Projects have undoubtedly suffered from a lack of attention within the Spartan Group in recent years as a result of the incredible success we have enjoyed at Dalgara. As a result, they are considered non-core within our portfolio given our focus on continuing to rapidly add high-grade ounces and advancing Dalgara towards a production re-start decision.

"We are therefore pleased to have reached agreement with a funded and well-backed explorer in Benz Mining to give these assets a reinvigorated life. With a combined Mineral Resource Estimate of 537koz at 1.0g/t Au, Glenburgh and Egerton are exciting growth assets with demonstrated potential for high-grade underground ounces – which is expected to be the focus of Benz's exploration campaign.

¹ A\$0.5 million cash consideration payable on completion and A\$0.5 million 12-months after completion.

² Spartan to receive 33 million Benz CHES Depository Instruments (CDIs) with equity consideration value based on the last traded price of Benz on the ASX of A\$0.26 per CDI (as at 1 November 2024).

³ Contingent payments are payable in three equal tranches of A\$2 million (in cash or equity) on Benz declaring a Mineral Resource Estimate (at a minimum 2.0g/t cut-off) for the Glenburgh & Egerton Projects of (i) 500koz (ie. 7.8Mt at 2.0g/t Au); (ii) 1,000koz (ie. 15.6Mt at 2.0g/t Au); and (iii) 1,500koz (ie. 23.3Mt at 2.0g/t Au).

⁴ Based on Benz ordinary shares outstanding at 1 November 2024 and adjusted for the expected Benz equity raising as per its trading halt announcement on 4 November 2024.

“The Spartan team is looking forward to staying involved in the exploration at the Glenburgh & Egerton Projects and Nick Jolly – a key member of the Spartan geology team associated with the discovery of the Never Never and Pepper high-grade gold deposits – is the proposed Spartan nominee to the Benz Board.

“Spartan will also be providing additional technical support and assistance to Benz given our history with the asset and capitalising on the insights gained at Dalgara – where our team have successfully discovered high-grade gold deposits close to historic lower grade open pit deposits.”

Authorisation

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

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Appendix 1: Transaction Terms

Consideration	<p>Gross consideration payable to Spartan is up to A\$15.6 million comprising:</p> <ul style="list-style-type: none"> ▪ Cash Consideration: A\$1.0m cash consideration (A\$0.5 million cash consideration payable on completion on the Transaction and A\$0.5 million 12-months after completion). ▪ Equity Consideration: 33 million Benz CHESS Depository Instruments (valued at A\$8.6m based on the closing price of Benz on the ASX on 1 November 2024) <ul style="list-style-type: none"> i. The Equity Consideration is subject to a 12-month voluntary escrow from the date of completion ii. Spartan to become an approximately 15%⁵ shareholder in Benz ▪ Contingent Consideration: Up to an additional A\$6 million in contingent payments payable in three equal tranches of A\$2 million (in cash or equity) on Benz declaring a Mineral Resource Estimate (at a minimum 2.0g/t cut-off) for the Glenburgh & Egerton Projects of <ul style="list-style-type: none"> i. 500koz (ie. 7.8Mt at 2.0g/t Au); ii. 1,000koz (ie. 15.6Mt at 2.0g/t Au); and iii. 1,500koz (ie. 23.3Mt at 2.0g/t Au).
Conditions Precedent	<p>Completion of the Transaction is conditional upon the satisfaction or waiver of precedent conditions including:</p> <ul style="list-style-type: none"> ▪ Benz having at least A\$5m cash in bank at completion of the Transaction; ▪ Benz obtaining all required regulatory and shareholder approvals; ▪ Receipt of requisite consents from royalty holders over the Glenburgh & Egerton Projects and, as required, entry into new royalty and security arrangements over the Glenburgh & Egerton Projects; and ▪ Other procedural conditions precedent standard for a transaction of this nature.
Spartan Investor Rights	<p>Spartan will be entitled to nominate a director to the Board of Benz as long as Spartan holds at least a 10% interest in the ordinary outstanding securities of Benz. This entitlement to nominate a director to the Board of Benz is void if there is a change of control of Spartan.</p> <p>Standard other investor rights including participation right in future Benz equity raisings subject to Spartan holding at least a 10% interest in the ordinary outstanding securities of Benz.</p> <p>Spartan personnel to provide technical services to Benz under a consulting agreement.</p>

⁵ Based on Benz ordinary shares outstanding at 1 November 2024 and adjusted for the expected Benz equity raising as per its trading halt announcement on 4 November 2024.

BACKGROUND ON SPARTAN RESOURCES

Spartan Resources Limited (ASX: SPR) is an ASX-listed gold company which 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 gold deposit is one of Australia’s most exciting new gold discoveries, with a high-grade Mineral Resource Estimate of 1.48Moz (5.72Mt at 8.07g/t) – including an Indicated classification of 1.091Moz (3.88Mt at 8.74g/t) – and remains open along strike and at depth. The recent high-grade Pepper discovery, immediately adjacent to Never Never, comprises an initial Mineral Resource Estimate (all Inferred category) of 0.43Moz (1.78Mt at 7.66g/t Au) – and also remains open along strike and at depth.

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 recently refreshed core SPARTA values:

-  **STRATEGIC**
Deliver strategic outcomes safely while leveraging the strength of the team
-  **PERSEVERANCE**
Showcase a resilient and relentless pursuit of safety and growth
-  **ACCOUNTABLE**
Demand accountability for individual and team actions
-  **RESPECT**
Lead with integrity and respect for ourselves and others
-  **TEAMWORK**
Perform and communicate with transparency, honesty and respect
-  **ACHIEVEMENT**
Fearlessly pursue personal excellence for the benefit of all

GROUP MINERAL RESOURCES

As at 30 June 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 ¹	3.88	8.74	1,091.2	1.08	9.95	346.2	4.97	9.00	1,437.5
		Pepper ¹				1.78	7.66	438.1	1.78	7.66	438.1
		HG UG Subtotal	3.88	8.75	1,091.2	2.86	8.53	784.3	6.75	8.64	1,875.6
		Four Pillars ²	1.02	1.85	61.0	0.84	2.22	59.6	1.86	2.02	120.6
		West Winds ²	2.28	1.95	143.0	1.13	1.81	66.0	3.41	1.91	209.0
		Applewood ²	0.57	1.78	32.6	0.26	1.65	13.8	0.83	1.74	46.3
		Plymouth ²	0.02	2.19	1.6	0.14	2.82	12.8	0.16	2.73	14.4
		Sly Fox ²	0.25	2.27	18.0	2.12	2.21	150.4	2.37	2.20	168.4
		UG Total	8.03	5.22	1,347.5	7.35	4.60	1,087.0	15.38	4.92	2,434.4
		Never Never OP ¹	0.67	2.10	45.3	0.09	0.88	2.5	0.76	1.96	47.8
	DGP Total	8.03	5.22	1,347.5	7.35	4.60	1,087.0	15.38	4.92	2,434.4	
	Archie Rose	Archie Rose OP ³				1.21	1.01	39.1	1.21	1.01	39.1
Yalgoo	Melville OP ⁴	3.35	1.49	160.4	1.88	1.37	83.2	5.24	1.45	243.6	
Murchison Region Total			12.05	4.01	1,553.2	10.53	3.58	1,211.8	22.58	3.81	2,764.9
Gascoyne	Glenburgh	Op & UG ⁵	13.50	1.00	430.7	2.80	0.90	79.4	16.30	0.97	510.1
	Egerton	Open Pit ⁶	0.23	3.40	25.0	0.04	1.50	2.0	0.27	3.11	27.0
Gascoyne Region Total			13.73	1.03	455.7	2.84	0.89	81.4	16.57	1.01	537.1
GROUP TOTAL			25.78	2.42	2,008.9	13.37	3.01	1,293.2	39.15	2.62	3,302.0

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 Dalgaranga Gold Project (including the Never Never and Pepper, collectively the "Never Never deposits"), 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.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.