

## Spartan Resources Ltd (prev. Gascoyne Resources)

### Transforming rapidly from exploration to production

Spartan Resources (ASX:SPR) [previously known as Gascoyne Resources Ltd (ASX:GKY)], is undergoing a transformational restructure and repositioning as an advanced exploration company with a rapid pathway back to production following the discovery of the high-grade Never Never gold deposit in the Murchison gold mining region of Western Australia. Drilling exploration in the June 2023 quarter delivered a significant upgrade to the Never Never deposit, lifting it by 51% to 3.83Mt at 5.85g/t for 721koz from 303koz previously. The upgraded resource added to the Dalgara gold project mineral resources which now stands at 16.7Mt at 2.2g/t gold for 1.18Moz, all within 10kms of the 2.5Mtpa processing plant. The Never Never gold project, which incorporates both the Never Never and Gilbey's North high-grade gold discoveries, now represents the foundation for the development of the company's new operating and growth plan to transition Gascoyne to a high-grade gold producer with a solid 5+-year mine plan.

#### Project description

Spartan Resources is developing the Never Never gold project in WA, which sits in the Murchison gold mining district around 475km north-east of Perth and 65km north-west of Mt Magnet. The company suspended open-pit mining and ore processing operations at Dalgara in November 2022 and put the 2.5Mtpa Dalgara mill on care-and-maintenance keeping it in a state ready for a rapid resumption of production, all with the aim to focus on completing the drill-out of the high-grade Never Never and Gilbey's North discoveries and bring them to reserve status. The strategy has thus far paid off with drilling defining a mineral resource of 721koz gold (up from 303koz previously), contained within 3.83Mt at 5.85g/t. Some of the more significant assays include 50m at 6.46g/t Au from 144m, including 10m at 23.7g/t, 29.15m at 11.09g/t Au from 449m including 9.44m at 22.26g/t, and 19.9m at 8.12g/t Au from 451m including 14.7m at 10.46g/t.

#### Substantial increase in mineral resource estimates

The company announced a substantial increase in the mineral resource estimates for the group and individual projects in late July following the completion of Stage 1 of the 2023 resource drilling programme. Group mineral resources, inclusive of the Murchison and Gascoyne Region now stands at 38.51Mt at 1.6g/t for 1.964Moz. The updated Murchison region mineral resource including the Dalgara and Yalgoo gold project has increased 31% in grade and 39% in contained ounces to 21.94Mt at 2.0g/t for 1.427Moz while, within this resource estimate, the updated Dalgara gold project mineral economics have increased 40% in grade and 51% in reportable ounces to 16.7Mt at 2.2g/t for 1.183Moz. The company's plan from here is to continue its drilling programme both at surface and underground to convert more of the mineral resource into the indicated category.

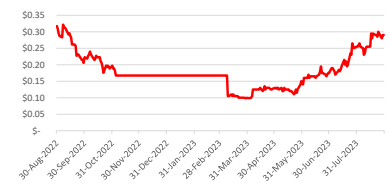
#### Well positioned to fast-track return to production

Gold producers are in the fortunate position of having the gold price sitting near all-time highs of US\$1,900/ounce with analysts forecasting it will rise to well over US\$3,000/ounce by 2025. With the 2.5Mtpa Dalgara mill on care and maintenance, the company is well-positioned to fast-track production with both a substantially increased resource and grade. Spartan is also well-funded to continue its drilling programme and develop its 5-year mine plan, having earlier this year secured a \$50m funding package via an \$8.6mn institutional share placement and \$17.6mn fully underwritten entitlement offer at \$0.10/share together with a \$21.3m investment by Tembo Capital Investment and a \$2.5m unsecured loan from existing shareholder Deutsche Balaton.

#### Share Details

ASX code	SPR
Share price (30-Aug)	\$0.29
Market capitalisation	\$254M
Number of shares	877M
Performance rights	30M
Net cash at 30-Jun-2023	\$32.1M

#### Share Price Performance (12 months)



#### Upside Case

- Infrastructure in place to rapidly advance to annual production of 2.5Moz gold
- Well-funded to complete current drilling programme until mid-2024
- Drilling programme defines substantially larger and higher-grade resource

#### Downside Case

- Fails to secure mining application approvals
- Gold price collapses changing the project's economics
- Drilling programme fails to expand resource

#### Catalysts

- Regulatory approval secured for planned underground exploration decline of Never Never
- Establish the underground portal and exploration decline from Gilbey's Pit to Never Never
- Secure mining lease approvals and complete feasibility study on satellite Melville gold project

#### Comparative Companies (Australia & NZ)

DCN, ORR, SBM, TRB,

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## FINANCIAL SERVICES GUIDE

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