

## USD\$8M Funding Package for Hillgrove

### Highlights

- Non-binding term sheet signed with Xcelsior Capital Limited and Wogen Resources Limited to respectively finance the development of the Hillgrove Antimony/Gold Mine ('**Hillgrove**') and establish a long-term relationship with a leading antimony trading house with over 50 years of heritage and a global presence.
- Under the non-binding term sheet Xcelsior will:
  - arrange a pre-payment loan of US\$4m for Larvotto LOM antimony offtake and gold concentrate marketing rights for Hillgrove; and
  - arrange a US\$4m working capital loan which will fund Larvotto through to the updated Ore Reserve statement and Bankable Feasibility Study for Hillgrove.
- Wogen will provide exclusive off-take sales and distribution services globally.
- Larvotto will retain rights to Hillgrove's gold doré sales.

Larvotto Resources Limited (**ASX: LRV, Germany: K6X, 'Larvotto' or 'the Company'**) is pleased to announce it has signed a non-binding term sheet<sup>1</sup> with Wogen Resources Limited ('**Wogen**'), a leading physical commodity trading house with over 50 years of heritage with an established presence in the antimony market and Xcelsior Capital Limited ('**Xcelsior**'), an investment manager providing flexible loan financing solutions for companies across the critical metals and minerals value chain.

The non-binding term sheet includes a USD\$4 million prepayment loan linked to a life of mine ('**LOM**') antimony offtake and gold concentrate marketing rights being granted over the Company's Hillgrove operation in New South Wales. Larvotto will retain the rights to gold doré sales from Hillgrove.

Further, Xcelsior will provide a US\$4 million senior secured working capital loan. The funding package will allow Larvotto to finalise its initial Ore Reserve statement and complete a Bankable Feasibility Study ('**BFS**') to allow the Company to progress towards project financing and commencement of mining operations at Hillgrove.

The non-binding term sheet is subject to a number of conditions precedent, including detailed due diligence process and negotiation of binding agreements. Further details on the non-binding term sheet are set out below. Larvotto has confidence that the parties will be able to provide their respective services.

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<sup>1</sup> The non-binding terms sheet is subject to negotiation and agreement of formal binding documentation. There is no certainty that such agreement will be reached and whether such agreement will be consistent with the terms set out above.

**Managing Director, Ron Heeks commented:**

*“The Wogen Xcelsior combination has been selected from a group of potential financing and offtake partners. Wogen is a UK based metals trading company with an established presence in the antimony market and Xcelsior a specialist critical minerals investor. For them to consider funding the development of the company is a massive endorsement of the project and leaves the Company fully funded to move to project financing for Hillgrove while maintaining exploration on its other projects.*

*Wogen / Xcelsior and Larvotto will now move quickly to undertake due diligence and complete full-form documentation for this financing arrangement. Larvotto looks forward to working with both Wogen and Xcelsior to deliver the best outcome for the development of Hillgrove and return for shareholders.”*

**Non-Executive Chair, Mark Tomlinson, said:**

*“The substantial funding and trading package proposed by Xcelsior and Wogen represents a key milestone in the development and recommencement of operations at Larvotto’s Hillgrove Project.*

*As such, it is landmark event in the short history of the Company.*

*The proposed financing is a clear indication that the Hillgrove Gold and Antimony Project is a very substantial asset that was successfully secured by Larvotto only a few short months ago in December last year and for which now Larvotto has very quickly been able to attract and secure the interest and these proposed financing/trading arrangements from Xcelsior and Wogen respectively.*

*It is also a huge step forward for Larvotto particularly when considering the scale and tenor of the proposed funding arrangements. Additionally, Larvotto has sought to fund this next stage for Hillgrove and the Company without recourse to equity markets!*

*We expect to continue to update the market and Larvotto’s shareholders as we progress.”*

**CEO of Xcelsior Capital Limited, Liam Farley commented:**

*“The Hillgrove Gold and Antimony Project represents an opportunity to finance the development of a high-quality, brownfield asset with significant sunk capital that will be a leading producer of Antimony, a critical metal with limited western supply that is increasingly important to the energy transition through its use in the solar industry. Xcelsior looks forward to working with Larvotto to progress Hillgrove to project financing and working with Wogen as our exclusive trading partner on the off-take sales and distribution once in production.”*

## About Wogen

Founded in 1972, Wogen has a 50-year history of trading, selling and procuring across the globe in its field of critical metals and minerals. Wogen deals in the whole range of critical non-ferrous metals specialising in Electronic, Precious, Noble, Light and Minor Metals, Ferro Alloys and Minerals.

Wogen has extensive experience and expertise in the offtake, marketing, and distribution of commodities from producers around the world with direct access to markets for the onward sale and distribution of critical metals, ores, concentrates and mineral sands.



## About Xcelsior

Xcelsior is an investment manager providing flexible financing solutions for companies across the critical metals and minerals value chain that are at the nexus of the energy transition and geopolitics, as nations rapidly shift from carbon-intensive to mineral-intensive economies.

## Non-binding term sheet summary

Under the non-binding term sheet Xcelsior shall, subject to various conditions being satisfied, provide to the Company a:

- US\$4 million pre-payment loan in return for the right to purchase and distribute Antimony/Gold Concentrate and through Wogen the right to provide sales and distribution services for the Gold Concentrate for the life of the Hillgrove Mine. Interest is to be capitalised until the earlier of 2 years and commencement of production; and
- US\$4 million working capital facility for a term of 18 months with interest to be capitalised and paid on maturity.

Both facilities are to be secured by the assets of Hillgrove Mines Pty Ltd.

The non-binding term sheet is subject to negotiation and agreement of formal full-form binding documentation. There is no certainty that such agreement will be reached and whether such agreement will be consistent with the terms set out above.

## Hillgrove Mines

Hillgrove Mines is currently a 254km<sup>2</sup> project consisting of four exploration leases and 48 granted mining leases for **1.4Moz Resources at 6.1g/t AuEq<sup>2</sup>**.

The current Mineral Resource places Hillgrove in the world top 10 global antimony deposits and is Australia's largest antimony deposit, as well as containing high grade gold. The field also contains largely untested tungsten mineralisation that has always been mined with the gold and antimony, but never extracted in the process plant. Antimony and tungsten are considered critical minerals by multiple countries including the US, EU, China, and Australia.

The Hillgrove mineral field is strategically located adjacent to existing road infrastructure and within close proximity to the urban centres of Armidale (23km), Tamworth (145km) and Coffs Harbour (170km). The area has been an active mining centre for over 100 years and is not a FIFO operation.

Historically the Hillgrove field has produced over 750,000oz of gold and 40,000t of antimony and there are currently multiple high-grade drill targets outside of the current Mineral Resources which have been identified for further near-term drilling including Bakers Creek (Figure 1).

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<sup>2</sup> See ASX: LRV Announcement, 19 December 2023 "1.4Moz @ 6.1g/t AuEq Gold-Antimony Hillgrove Project Acquired



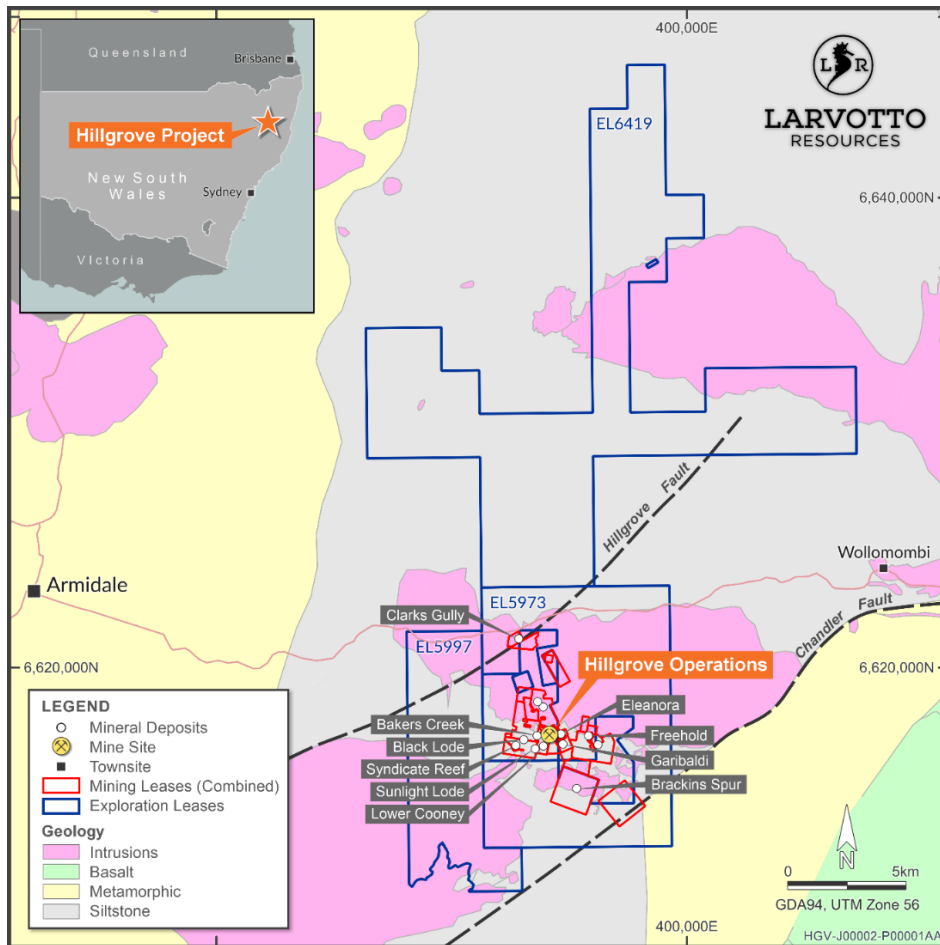


Figure 1 Hillgrove Project Location Map



This announcement was authorised for release by the Board of Larvotto Resources Limited.

## About Larvotto Resources Ltd

Larvotto Resources Limited (ASX:LRV) is actively advancing its portfolio of in-demand minerals projects including the 1.4Moz AuEq high-grade Hillgrove Gold-Antimony Project in NSW, the large Mt Isa copper, gold, and cobalt project adjacent to Mt Isa townsite in Queensland, the Eyre multi-metals and lithium project located 30km east of Norseman in Western Australia and an exciting gold exploration project at Ohakuri in New Zealand's North Island. Larvotto's board has a mix of experienced explorers and corporate financiers to progress its projects. Visit [www.larvottoresources.com](http://www.larvottoresources.com) for further information.

## Forward Looking Statements

Any forward-looking information contained in this news release is made as of the date of this news release. Except as required under applicable securities legislation, Larvotto does not intend, and does not assume any obligation, to update this forward-looking information. Any forward-looking information contained in this news release is based on numerous assumptions and is subject to all of the risks and uncertainties inherent in the Company's business, including risks inherent in resource exploration and development. As a result, actual results may vary materially from those described in the forward-looking information. Readers are cautioned not to place undue reliance on forward looking information due to the inherent uncertainty thereof.



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Managing Director

**Ms Anna Nahajski-Staples**

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**Ms Cecilia Tyndall**

Company Secretary

### PROJECTS

**Mt Isa Au, Cu, Co**

Mt Isa, QLD

**Ohakuri Au**

New Zealand

**Eyre Ni, Au, PGE, Li**

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