

### Response to Marmota Limited (ASX:MEU) Claims

Barton Gold Holdings Limited (ASX:BGD) and its subsidiary Challenger 2 Pty Ltd (**Barton** or the **Company**) provide the following response to claims published by Marmota Limited (ASX:MEU) (**Marmota**) and its subsidiary, Half Moon Pty Ltd (**HMP**) related to the Western Gawler Craton JV (**JV**) and JV agreement (**JVA**).

On 13 July 2023 Marmota advised the ASX that it and HMP have detailed certain claims against Barton in a letter said to be a pre-action notice. Barton has today responded in full to this letter. Barton rejects these claims, considers them to be without merit, and will vigorously defend any proceedings.

#### Background

In 2019 the Company became party to the JV, and also to a September 2016 'Dispute Settlement Term Sheet' (**Term Sheet**) which settled a prior dispute regarding which tenements were included in the JV. The Term Sheet affirmed that the northern portion of EL6502, and ML6103 and ML6457 do not form part of the JV, that the other tenements in the JV would be formally transferred to HMP's ownership for \$100, and importantly that the Term Sheet is binding on the parties until replaced by subsequent documentation.<sup>1</sup>

When the Company became a party to the JV, HMP required it to agree that the Term Sheet remained binding. In July 2020, HMP notified Barton that it would delay implementation of the Term Sheet until after a pending sale of HMP was completed, acknowledged that it was frustrating Barton's efforts to implement the Term Sheet in a timely fashion, and affirmed that it could be implemented after HMP's pending sale.

#### Term Sheet Binding

However, in March 2021, after Marmota agreed to acquire HMP, it reversed its longstanding position and asserted that the Term Sheet had 'expired' due to delays in implementation, and was no longer binding.<sup>2</sup> Barton rejected this position on several grounds, including that the Term Sheet explicitly provides that it is binding until replaced, and so cannot 'expire', and that HMP itself caused the delay in implementation.

Marmota also claimed the Term Sheet 'expired' "*because Ministerial Consent... was formally refused*",<sup>3</sup> or it "*was incapable of ever being enacted under the Mining Act... (which did not allow for splitting of tenements)*".<sup>4</sup> These claims are plainly incorrect as Barton has previously detailed in prior Quarterly Activities Reports.<sup>5</sup>

Marmota's recent claims are silent on the Term Sheet's status, do not refute Barton's bases for rejecting HMP's new position, and do not address its prior incorrect statements. Instead, they now focus on the issue of access to the tenements which it would have owned but for its repudiation of the Term Sheet.

Barton contends that HMP is barred from asserting that the Term Sheet has 'expired' when the cause of the alleged 'expiry' is because HMP refused to implement its terms, and that HMP has now repudiated the term sheet because it believes there is an alternative commercial benefit to be obtained by doing so.

<sup>1</sup> Refer to section 6.1 of Barton's IPO Prospectus dated 14 May 2021

<sup>2</sup> Refer to Marmota ASX announcement dated 30 November 2020 and section 6.1 of Barton's IPO Prospectus dated 14 May 2021

<sup>3</sup> Refer to Marmota ASX announcement dated 31 January 2022

<sup>4</sup> Refer to Marmota ASX announcement dated 29 April 2022

<sup>5</sup> Refer to ASX announcements dated 28 April and 29 July 2022

## Historical Gold Production on ML6457

HMP now asserts a JV interest in historical ML6457 gold production. Barton considers this claim to be flawed and based solely upon HMP's repudiation of the Term Sheet. ML6457 was developed by Barton's predecessor in title in reliance upon the Term Sheet, and operated only briefly during 2018.

Barton also understands that only 545.1 ounces of gold were produced from ML 6457. Therefore, even if HMP is able to establish a claim, its pro-rata share of the gold value produced would likely be considerably less than its pro-rata liability to historical costs, which Barton would then seek by way of counterclaim.

## Access & Marmota's damages claim

Barton rejects the claim that it improperly restricted JV tenement access. In South Australia a tenement owner bears statutory liability for the conduct of exploration activities on that land. For this reason, formal access agreements are a standard industry practice where a party proposes to undertake exploration activities on a tenement which it does not own. Notwithstanding the ongoing Term Sheet dispute, Barton has offered HMP access subject only to a standard access agreement. HMP has consistently refused.

The JVA also specifically requires HMP to sign a 'Co-ordination Deed' *"regulating the conduct of exploration activities... on the Tenements"*, consistent with standard access agreements. HMP recognised this and, until Barton's predecessor in title entered voluntary administration in 2018, pursued such a deed.

HMP could have gained access to the tenements at any time, either by implementing the Term Sheet (which it remains obligated to do), or by accepting Barton's offer of a standard access agreement.

## Joint Venture Costs

Marmota suggests that Barton has failed to cover its share of JV costs. Barton has paid all JV costs due and any suggestion to the contrary is false.

## Offer to Settle

In December 2022 Barton offered a settlement to Marmota and HMP, but received no reply. In an attempt to resolve these issues without litigation, Barton has again offered Marmota and HMP a settlement which it believes is commercially attractive and superior to any outcome that they could reasonably anticipate through litigation. Barton's offer is open for acceptance until 5.00pm ACST on Thursday, 31 August 2023.

## Commenting on the matter, Barton MD Alex Scanlon said:

*"We would not normally provide detailed comment regarding threatened litigation, however Marmota's recent claims require a clear response. These claims are without merit and are of the claimant's own making.*

*"Further, only minimal gold was produced from ML6457. Its cost likely exceeds its value many times over, and if Marmota persists in this claim we anticipate that it will become liable to Barton for several million dollars.*

*"We are not interested in a protracted dispute and so in good faith have again offered an amicable resolution. However, if obliged to respond to proceedings we will vigorously defend our rights and bring a significant counterclaim."*

Authorised by the Board of Directors of Barton Gold Holdings Limited.

For further information, please contact:

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## About Barton Gold

Barton Gold is an ASX listed Australian gold exploration company with a **total attributable 1.3Moz Au JORC Mineral Resources endowment** (40.6Mt @ 1.0 g/t Au), a pipeline of advanced exploration projects and brownfield mines, and **100% ownership of the only regional gold mill** in the central Gawler Craton of South Australia.\*

### Tarcoola Gold Project

- Existing brownfield open pit mine within trucking distance of Barton's processing plant
- Under-explored asset with untapped scale potential

### Tunkillia Gold Project

- **1.15Moz Au Mineral Resources (38Mt @ 0.94 g/t Au)\***
- District-scale structures with advanced satellite targets

### Infrastructure

- 650ktpa CIP process plant, mine village, and airstrip
- Tarcoola ~40 person lodging to support mine operations
- Tunkillia camp to support dedicated project team



## Competent Persons Statement & Previously Reported Information

The information in this announcement that relates to the historic Exploration Results and Mineral Resources as listed in the table below is based on, and fairly represents, information and supporting documentation prepared by the Competent Person whose name appears in the same row, who is an employee of or independent consultant to the Company and is a Member or Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM), Australian Institute of Geoscientists (AIG) or a Recognised Professional Organisation (RPO). Each person named in the table below has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the JORC Code 2012.

Activity	Competent Person	Membership	Status
Tarcoola Mineral Resource	Dr Andrew Fowler (Consultant)	AusIMM	Member
Tarcoola Exploration Results (until 15 Nov 2021)	Mr Colin Skidmore (Consultant)	AIG	Member
Tarcoola Exploration Results (after 15 Nov 2021)	Mr Marc Twining (Employee)	AusIMM	Member
Tunkillia Exploration Results (until 15 Nov 2021)	Mr Colin Skidmore (Consultant)	AIG	Member
Tunkillia Exploration Results (after 15 Nov 2021)	Mr Marc Twining (Employee)	AusIMM	Member
Tunkillia Mineral Resource	Mr Ian Taylor (Consultant)	AusIMM	Fellow
Challenger Mineral Resource	Mr Dale Sims (Consultant)	AusIMM / AIG	Fellow / Member
Western Gawler Craton JV Mineral Resource	Mr Richard Maddocks (Consultant)	AusIMM	Fellow

The information relating to historic Exploration Results and Mineral Resources in this announcement is extracted from the Company's Prospectus dated 14 May 2021 or as otherwise noted in this announcement, available from the Company's website at [www.bartongold.com.au](http://www.bartongold.com.au) or on the ASX website [www.asx.com.au](http://www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the Exploration Results and Mineral Resource information included in previous announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the Prospectus continue to apply and have not materially changed. The Company confirms that the form and context in which the applicable Competent Persons' findings are presented have not been materially modified from the previous announcements.

## Cautionary Statement Regarding Forward-Looking Information

This document may contain forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "expect", "target" and "intend" and statements than an event or result "may", "will", "should", "would", "could", or "might" occur or be achieved and other similar expressions. Forward-looking information is subject to business, legal and economic risks and uncertainties and other factors that could cause actual results to differ materially from those contained in forward-looking statements. Such factors include, among other things, risks relating to property interests, the global economic climate, commodity prices, sovereign and legal risks, and environmental risks. Forward-looking statements are based upon estimates and opinions at the date the statements are made. Barton undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such dates or to update or keep current any of the information contained herein. Any estimates or projections as to events that may occur in the future (including projections of revenue, expense, net income and performance) are based upon the best judgment of Barton from information available as of the date of this document. There is no guarantee that any of these estimates or projections will be achieved. Actual results will vary from the projections and such variations may be material. Nothing contained herein is, or shall be relied upon as, a promise or representation as to the past or future. Any reliance placed by the reader on this document, or on any forward-looking statement contained in or referred to in this document will be solely at the reader's own risk, and readers are cautioned not to place undue reliance on forward-looking statements due to the inherent uncertainty thereof.

\* Refer to Barton Prospectus dated 14 May 2021 and ASX announcement dated 26 April 2023. Total Barton attributable JORC (2012) Mineral Resources include 679koz Au (22.2Mt @ 1.0 g/t) in Indicated and 618koz Au (18.36Mt @ 1.0 g/t) in Inferred categories.