

Delta confirms gold spin-out into Ballard Mining Limited

Highlights:

- Delta's Mt Ida Gold asset to be spun-out (via a demerger and concurrent IPO) into a **new standalone, gold-focused** ASX-listed exploration company, **Ballard Mining Limited**, subject to Delta shareholder and ASX approval.
- Demerger seeks to unlock value of the Mt Ida gold asset for Delta shareholders and separate its gold and lithium assets into two distinct companies.
- Highly qualified Board and management to lead Ballard, including former De Grey Chairman **Simon Lill** as Non-Executive Chairman, **Stuart Mathews** as Non-Executive Director, **Paul Brennan** as Managing Director and **Tim Manners** as Finance Director.
- Delta's Managing Director, James Croser, to join the Board of Ballard as a Non-Executive Director to ensure a smooth transition of the Mt Ida Gold asset into the new standalone entity.
- **Eligible Delta shareholders** expected to receive **one Ballard Share for every 11.25** fully paid ordinary shares in Delta via an **in-specie distribution**.
- As part of the concurrent IPO, Ballard intends to raise between **\$25 million and \$30 million** (before costs). **Eligible Delta shareholders** will also be entitled to participate in a **priority offer**.
- Delta will retain **upside exposure** to Ballard through a substantial equity holding in Ballard.

Delta Lithium Limited (ASX: DLI) (Delta or the Company), is pleased to confirm that, subject to Delta shareholder approval and approval from the Australian Securities Exchange (**ASX**), it is proceeding with the previously foreshadowed demerger and initial public offering of its Mt Ida Gold asset. Delta has executed legally binding documents and has formally agreed to demerge all of its rights, entitlement and interests conferred by certain tenements comprising the Mt Ida Project insofar as they relate to gold (**Gold Asset**) to Ballard Mining Limited (**Ballard**) (**Demerger**).

Delta proposes, subject to shareholder approval, to demerge the Gold Asset via a spin-out of Ballard and in-specie distribution of Ballard's fully paid ordinary shares (**Ballard Shares**) to eligible Delta shareholders by issuing one Ballard Share for every 11.25 fully paid ordinary shares in Delta (**Delta Shares**) held on the record date (**In-specie Distribution**), allowing Delta shareholders to retain exposure to the value and upside of the Gold Asset.

Concurrently with the Demerger, Ballard intends, subject to ASX approval, to undertake an initial public offering (**IPO**) of Ballard Shares, under a prospectus, to raise between \$25 million (**Minimum Subscription**) and \$30 million (**Maximum Subscription**) (before costs) at an issue price of \$0.25 per Ballard Share, and to apply for admission to the official list of the ASX.

Following completion of the Demerger and the IPO, Delta will retain approximately 49% shareholding in Ballard at the Minimum Subscription, or approximately 46% shareholding in Ballard at the Maximum Subscription.

The Demerger enables the Company to continue focusing on its primary business, being the exploration and development of its lithium assets at the Mt Ida Project and the Yinnetharra Lithium Project.

Rationale for the Demerger

On 29 April 2025, the Company announced an updated gold Mineral Resource Estimate (MRE) at the Mt Ida Project of a total Inferred and Indicated Mineral Resources of **10.3Mt @ 3.33 g/t Au for 1.1 Moz.**¹ This MRE update has significantly increased the global gold inventory at the Mt Ida Project, demonstrating the presence of a large gold system, both immediately at Baldock and across the broader tenement package and represents significant potential upside for future exploration at the Mt Ida Project.

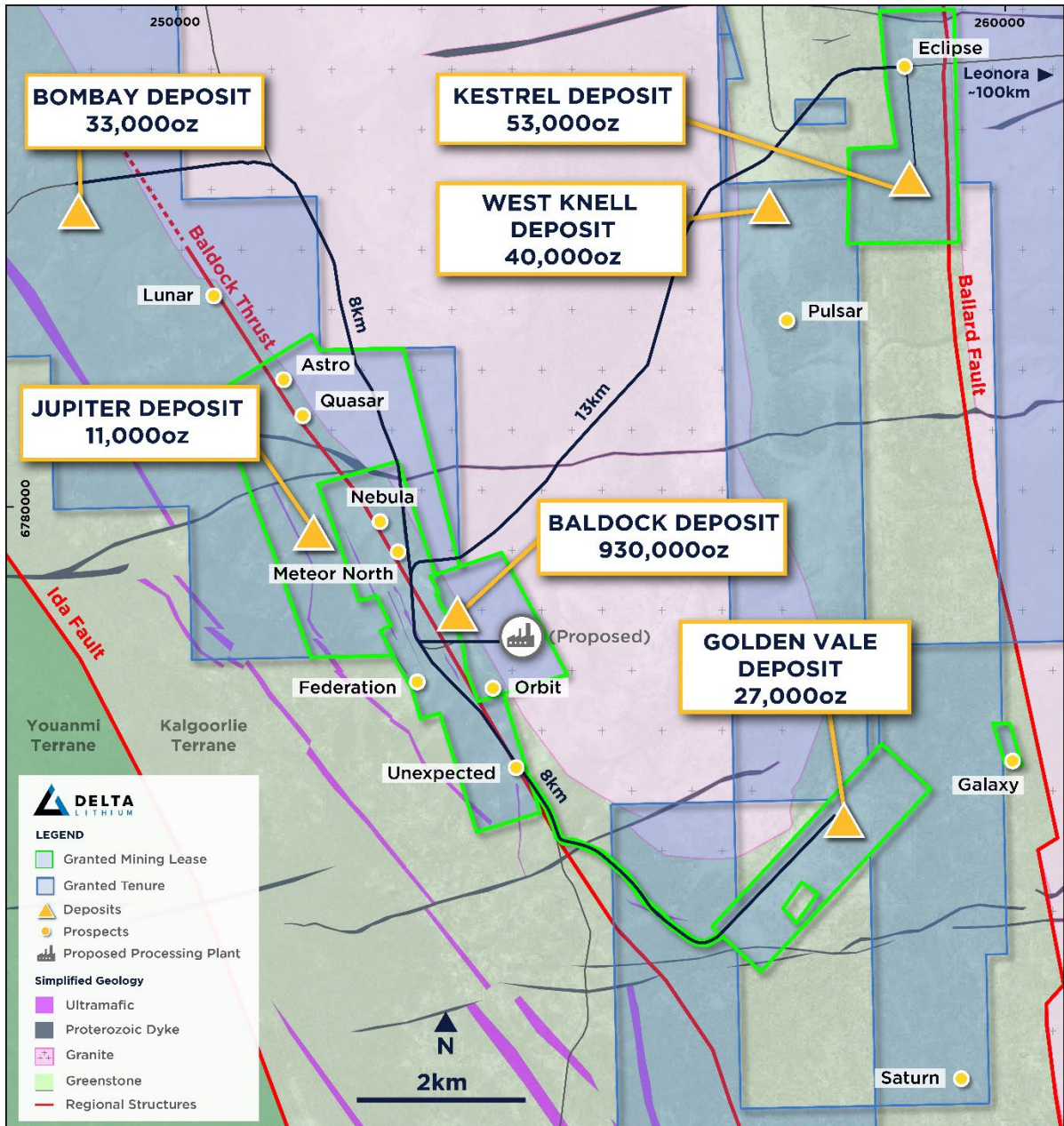


Figure 1: Mt Ida Project Resources and Regional Prospects

Given the scale of the Mt Ida Gold MRE and a potential future standalone mining operation, together with the funds required to continue advancing the Mt Ida Project towards execution, Delta determined to

¹ Refer to the Competent Persons Statement on page 8 for further information.

demerge the Gold Asset into Ballard, allowing Ballard to undertake a capital raise and apply for quotation on the ASX. Delta will remain as a lithium focused exploration and development company and will retain Delta's balance sheet strength by maintaining a significant shareholding in Ballard post Demerger. If Ballard is successfully admitted to ASX, Ballard will use the funds raised from its IPO to advance growth and development exploration activities at Mt Ida, including to facilitate drilling of regional growth targets and infill drilling at Baldock to support DFS workstreams and associated study work, with a view to reaching a final investment decision on building the mine.

Ballard, named after Lake Ballard which is a local landmark near the Mt Ida Project, will hold the Gold Asset through its shareholding in Mt Ida AU Pty Ltd, which will be a wholly owned subsidiary of Ballard.

The Board believes that separating its existing lithium projects and the Gold Asset will drive superior value for shareholders in both Delta and Ballard, as shareholders will have the opportunity to participate in the growth and development of the Gold Asset through a separate entity that will have dedicated resources to further develop the Gold Asset and optimise its potential value. Furthermore, Delta shareholders will maintain their investment exposure to Delta's lithium projects.

Commenting on the Demerger Managing Director, James Croser said;

"Delta has been working diligently towards this outcome for some time, and we are delighted to be finally able to announce these details of the Demerger and Ballard IPO.

Re-setting the exciting and prospective Mt Ida Gold Asset into Ballard, a pure new gold company, at such an opportune time in the gold price cycle best positions Ballard to launch into early success, underpinned by a strong foundation of 1.1Moz gold and a new dedicated and specialised management team.

Momentum is crucial to a new listing and the pricing of the Gold Asset is compelling with significant potential to create investor returns and shareholder value. I encourage all Delta shareholders and members of the gold investment community alike to consider carefully the prospectus information when released. We look forward to welcoming the new shareholders of Ballard."

Demerger

Subject to shareholder approval, the Company will implement the demerger of the Gold Asset by reducing its capital by approximately \$15.9 million, to be satisfied through the distribution of approximately 63.7 million Ballard Shares in-specie to eligible Delta shareholders. Eligible Delta shareholders will then receive a pro-rata distribution of one Ballard Share for every 11.25 Delta Shares held on the record date for the In-specie Distribution.

Subject to the receipt of ASIC relief, Delta intends to operate a sale facility whereby certain Delta shareholders (being, ineligible foreign shareholders and holders of unmarketable parcels) may have the Ballard Shares they would have otherwise received under the In-specie Distribution sold through the facility by a sale agent and, in which case, may instead receive the proceeds from such sale (net applicable brokerage, foreign exchange, stamp duty and other selling costs, taxes and charges).

The Demerger will only proceed if certain conditions are satisfied, including (without limitation) Delta obtaining shareholder approval for the Demerger, Ballard obtaining an ASX conditional admission letter, and Ballard receiving valid applications for the Minimum Subscription.

If approved by shareholders, the Demerger is expected to be completed by early July 2025.

Further details on the Demerger and In-specie Distribution will be provided in the notice of meeting and short-form prospectus to be lodged with ASIC and ASX in due course.

Ballard IPO

Ballard intends to seek admission to the official list of the ASX and, for this purpose, will undertake an IPO to raise between \$25 million to \$30 million (before costs) at an issue price of \$0.25 per Ballard Share. The offers under the IPO will comprise:

- an institutional and broker firm offer to raise between \$20 million to \$25 million (before costs) (**Other Offer**); and
- a priority offer to existing eligible Delta shareholders to raise approximately \$5 million (before costs) (**Priority Offer**), (together, the **IPO Offer**).

Further details in relation to the IPO Offer will be provided in the prospectus to be lodged by Ballard in due course. Bell Potter and Argonaut have been appointed Joint Lead Managers to the IPO. Thomson Geer has been appointed as Australian legal advisor in respect of the Demerger and IPO.

Following completion of the Demerger and the IPO, Delta will retain approximately 49% shareholding in Ballard at the Minimum Subscription, or approximately 46% shareholding in Ballard at the Maximum Subscription.

Proposed Ballard Capital Structure

	No. Ballard Securities	AUD \$25M	AUD \$30M
Current Ballard Shares on issue	100		
Ballard Shares issued to Delta in consideration for the Gold Asset	220M	\$55M	\$55M
In-specie to Delta shareholders (1 for 11.25 DLI)	63.7M	\$16M	\$16M
Ballard Shares issued under the Other Offer	80-100M	\$20M	\$25M
Ballard Shares issued under the Priority Offer	20M	\$5M	\$5M
Ballard Shares on issue upon ASX-listing	320-340M	\$80M	\$85M
Ballard Performance Rights and Options (various)	20.5M	-	-
Ballard cash position ex-costs	-	\$25M	\$30M
Ballard market capitalization	-	\$80M	\$85M
Ballard enterprise value	-	\$55M	
Ballard enterprise value (\$/Resource oz)		\$50/oz	

Note: Ballard options and performance rights to be issued to Ballard directors, employees, consultants and advisers. Further details of the options and performance rights to be issued by Ballard will be disclosed in the prospectus to be prepared by Ballard and to be lodged with ASIC in connection with the IPO.

Ballard Board and Management

Ballard has secured a high-calibre and experienced team with extensive experience in mineral exploration, project development, mining and financing in the resources industry. The team includes a combination of existing Delta directors and new appointments, including two independent non-executive directors with suitable technical expertise. The Ballard board and senior management comprises:

Mr Simon Lill – Independent Non-Executive Chairman

Mr Lill was previously Chairman of De Grey Mining, a Company which grew from being a sub \$1M market capitalisation when he was first involved to being in the ASX 200 before being acquired by Northern Star Resources (ASX:NST) last month, in one of Australia's largest corporate takeovers in the gold sector.

In his 12 years at De Grey, Mr Lill oversaw the discovery of one of Australia's largest gold finds at Hemi in the Pilbara, witnessed unprecedented resource growth, realised exceptional shareholder value and navigated the company through the \$5 billion takeover (at the initial takeover metrics when announced) by Northern Star.

He also provides a strong background in capital markets and management of smaller ASX companies.

Mr Paul Brennan – Managing Director & Chief Executive Officer

Mr Paul Brennan is a mining engineer with post graduate qualifications in business and project management. Mr Brennan is currently employed by Delta in the role of Chief Development Officer and is responsible for the project development of Delta's Gold Asset and Lithium Projects.

Recent roles have included Chief Operating Officer and site General Manager for ASX listed gold mining companies. Mr Brennan does not hold any current directorships of public companies.

Mr Brennan will resign from his position as Chief Development Officer of Delta prior to, and conditional upon, Ballard's admission to the ASX.

Mr Tim Manners – Finance Director

Mr Tim Manners is a finance professional with over 25 years' experience in corporate finance, accounting, financial management and business development functions within the resources industry.

Mr Manners has been involved in exploration, developing, and producing companies both in Australia and overseas. Mr Manners has held senior executive positions in various sectors including gold, base metals and industrial minerals.

Mr Manners spent nearly seven years with Ramelius Resources Ltd (ASX: RMS) as their Chief Financial Officer during a period of significant organic growth and corporate expansion.

More recently, Mr Manners was the Chief Financial Officer of Wildcat Resources Ltd (ASX: WC8) and a non-executive director of Delta.

Mr Manners will resign from his position as Non-Executive Director of Delta prior to, and conditional upon, Ballard's admission to the ASX.

Mr James Croser – Non-Executive Director

Mr James Croser is a qualified mining engineer, with over 25 years of operations, technical and management experience in the Australian mining sector. Mr Croser has served previously on the boards of ASX-listed mining companies Spectrum Metals Ltd (ASX: SPX) (delisted), Kalgoorlie Mining Company Ltd (ASX: KMC) (delisted) and Resources & Energy Group Ltd (ASX: REZ), while also founding and developing several private mining companies across Western Australia in recent years. Mr Croser has held statutory mine management positions for Perilya Ltd (ASX: PEM) (delisted) and La Mancha Resources Ltd, including as inaugural underground manager for the definitive feasibility study & construction of the one-million-ounce Frog's Leg Gold Mine.

Mr Croser has a bachelor's degree from the Western Australian School of Mines and is a holder of a Western Australian First Class Mine Managers' Certificate.

Mr Croser is currently a director of Hammer Metals Ltd (ASX: HMX) and the Managing Director of Delta.

Mr Stuart Mathews – Independent Non-Executive Director

Mr Stuart Mathews is a mining professional with more than 30 years' experience and is highly regarded for his ability to successfully deliver projects from early feasibility stages through to mine development, construction and full-scale operations. Until his retirement from executive roles in 2024, Mr Mathews served as Executive Vice President – Australasia for Gold Fields Limited.

In addition to his accomplishments at Gold Fields Limited's St Ives gold mine, Mr Mathews delivered several high profile projects during his career, including the Cowal Gold Project for Barrick Australia, the Palmarejo Silver-Gold Mine in Mexico for Coeur D'Alene Mines and the Mineral Hill Mine for KBL Mining.

Mr Mathews is currently a Non-executive Director of Pantoro Gold Ltd (ASX: PNR) and the non-executive chairman of Hot Chilli Ltd (ASX: HCH).

Ms Loren Falconer – Company Secretary and Financial Controller

Ms Loren Falconer is the Financial Controller at Delta, bringing over 14 years of experience, primarily within the mining and resources sector.

Ms Falconer has a strong background in accounting and financial management of mining and exploration activities with various commodities, including lithium and gold, and has supported financial management and cost control on numerous construction and mining projects.

Ms Falconer has a Bachelor of Commerce (Accounting), Bachelor of Commerce Honours (Accounting Science) and is a registered member of the Institute of Chartered Accountants Australia. Ms Falconer has completed the Listing Rules compliance course and is currently advancing her qualifications by pursuing a Graduate Diploma of Applied Corporate Governance and Risk Management with the Governance Institute of Australia.

Ms Falconer will resign from her position as Financial Controller of Delta prior to, and conditional upon, Ballard's admission to the ASX.

Commenting on Ballard proposed Chairman, Simon Lill said;

“Delta have done an excellent job in preparing Ballard for a spin out on behalf of its shareholders through IPO. It is a well structured transaction that should provide benefit to both existing and new shareholders. An existing high-grade resource amidst many operating mines in one of Australia’s best gold addresses is always going to provide an exciting opportunity.

I was pleasantly surprised with the substantial exploration upside at the Mt Ida Gold Project. With multiple walk-up targets over a largely untested 16km of trend, the opportunity to find another Baldock with its 930koz @ 4.1 g/t Au is real with the potential to grow into a camp-scale endowment. I look forward to the commencement of drilling.”

Indicative timetable

The indicative timetable for the Demerger and IPO is detailed below.

Event	Indicative Date
Lodgement of Delta notice of meeting and short-form prospectus	Late May 2025
Lodgement of Ballard IPO prospectus	Late May 2025
Priority Offer record date	Late May 2025
Delta general meeting	Late June 2025
Opening date of IPO Offer	Mid to late June 2025
Closing date of IPO Offer	Late June 2025
Effective date of In-specie Distribution	Late June 2025
Record date for In-specie Distribution	Early July 2025
Date for In-specie Distribution to Delta shareholders	Early July 2025
Allotment of Ballard Shares under IPO Offer	Early July 2025
Ballard’s expected commencement of trading on ASX	Early to mid July 2025.

Note: The dates shown in the table above are indicative only and may vary subject to the Corporations Act, ASX Listing Rules and other applicable laws.

Release authorised by the Board of Delta Lithium Limited.

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About Delta Lithium

Delta Lithium (ASX: DLI) is an exploration and development company focused on bringing high-quality, lithium-bearing pegmatite deposits, located in Western Australia, into production. With a strong balance sheet and an experienced team driving the exploration and development workstreams. Delta Lithium is rapidly advancing its Lithium and Gold Projects. The Mt Ida Lithium/Gold Project sits on existing Mining Leases with an approved Mining Proposal. Delta Lithium is pursuing a development pathway for both the Lithium and the Gold at Mt Ida to unlock maximum value for shareholders.

Delta Lithium also holds the highly prospective Yinnetharra Lithium Project. Delta currently possess rights to 1,700km² of prospective ground in the Gascoyne region and is undertaking systematic exploration of this tenure. The strategy is to focus multiple teams on these high priority targets, follow up with drilling and grow the Yinnetharra resource which will feed into subsequent studies.

Not an Offer

This announcement is not a prospectus, product disclosure statement or other disclosure document under the *Corporations Act 2001* (Cth), or other offering document under Australian law or any other law. This announcement, and the information contained in it, is provided for information purposes only and is not an offer or solicitation or an invitation or recommendation to subscribe for, acquire or buy securities of Ballard, or any other financial products or securities in any place or jurisdiction, and has not been lodged with the Australian Securities and Investment Commission (**ASIC**).

This announcement does not constitute investment advice and has been prepared by Delta without taking into account the recipient's investment objectives, financial circumstances or particular needs. Each recipient must make his/her own independent assessment and investigation of Ballard and its business and assets. This announcement is in summary form and does not purpose to be exhaustive. This announcement should be read in conjunction with Delta's periodic disclosure announcements, which are available to download at <https://deltalithium.com.au/>, including the notice of meeting and short-form prospectus to be lodged by Delta in connection with the Demerger as well as the prospectus to be lodged by Ballard in connection with the IPO.

Investment Risk

An investment in Ballard Shares is subject to investment and other known and unknown risks, some of which are beyond the control of Ballard. Those risks and uncertainties include factors and risks specific to Ballard such as (without limitation) the status of exploration and mining tenements and applications and the risks associated with the non-grant or expiry of those tenements and applications, liquidity risk, risks associated with the exploration or developmental stage of projects, funding risks, operational risks, changes to government fiscal, monetary and regulatory policies, the impact of actions of governments, the potential difficulties in enforcing agreements and protecting assets, alterations to resource estimates and the imprecise nature of resource and reserve statements, any circumstances adversely affecting areas in which Ballard operates, fluctuations in the production, volume and price of commodities, any imposition of significant obligations under environmental regulations, fluctuations in exchange rates, the fluctuating industry and commodity cycles, the impact of inflation on operating and development costs, taxation, regulatory issues and changes in law and accounting policies, the adverse impact of wars, terrorism, political, economic or natural disasters, the impact of changes to interest rates, loss of key personnel and delays in obtaining or inability to obtain any necessary government and regulatory approvals, insurance and occupational health and safety. Further information regarding the risks associated with an investment in Ballard Shares will be disclosed in the notice of meeting and short-form prospectus to be lodged by Delta in connection with the Demerger and the prospectus to be lodged by Ballard in connection with the IPO. Investors are encouraged to read the prospectus in full before deciding whether to subscribe for Ballard Shares. Ballard does not guarantee any particular rate of return or the performance of Ballard, nor does it guarantee the repayment of capital from Ballard or any particular tax treatment.

Competent Person's Statement

The gold Mineral Resource estimate in this announcement was reported by Delta in accordance with ASX Listing Rule 5.8 in ASX announcement titled "Mt Ida Gold Resource Update & Proposed Demerger" dated 29 April 2025. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcement and that all material assumptions and technical parameters underpinning the estimates in the previous announcement continue to apply and have not materially changed.

Disclaimer

This release may include forward-looking and aspirational statements. These statements are based on Delta management's expectations and beliefs concerning future events as of the time of the release of this announcement. Forward-looking and aspirational statements are necessarily subject to risks, uncertainties and other factors, some of which are outside the control of Delta, which could cause actual results to differ materially from such statements. Delta makes no undertaking to subsequently update or revise the forward looking or aspirational statements made in this release to reflect events or circumstances after the date of this release, except as required by applicable laws and the ASX Listing Rules.

Refer to www.deltalithium.com.au for past ASX announcements.