[Ramelius may look to M&A if Rebecca-Roe project doesn't stack up - DATA ROOM]

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Body

A move by ***Ramelius*** ***Resources*** on its smaller rival Spartan could rest on the release of its feasibility study into its Rebecca-Roe development, expected out in the near term.

Should the results prove that the project will not be all that viable, it may propel the group more towards taking the mergers and acquisition route for growth.

Ramelius purchased 8.9 per cent of Spartan ***Resources*** in June and it is also known to have been eyeing up other targets at a time it remains cashed up with the gold price hitting record highs this year.

Currently, the ***Ramelius*** market value is close to $2.4bn whereas Spartan's market value is almost $1.5bn.

Ramelius ***Resources*** chief executive Mark Zeptner earlier said that the Spartan ***Resources*** project was "in our backyard".

Ramelius is developing both the Rebecca-Roe project and Cue Gold Project, 35km south of Mt Magnet, after buying Apollo Consolidated in 2022 and Musgrave Minerals the following year.

It owns and operates two production and processing hubs at Mt Magnet and Edna May, in Western Australia.

Spartan owns the Dalgaranga Gold Project, 65km northwest of Mt Magnet in Murchison, where ***Ramelius*** owns a gold processing hub. Part of that is its Never Never high-grade gold deposit on which the company is pinning its hopes for growth.

Spartan was previously called Gascoyne ***Resources*** and collapsed after gold ore levels being processed through its mill were not profitable, and it was later recapitalised after its market value fell beneath $100m.

Ramelius purchased Spartan shares at 92c in June, and they are currently trading at about $1.33, while ***Ramelius*** shares are trading at $2.09.

Late last year, it was known around the market that ***Ramelius*** was in search of an opportunity, preferably in WA, where it could add 100,000 ounces of gold per annum and wanted to add a third production hub to put its $261m cash pile to work.

Mr Zeptner said in August he did not feel an obligation to get bigger but was more focused on good margins and cashflow.

The focus on ***Ramelius*** comes after the results of Newmont's recent sales campaign shows corporate activity booming in the gold mining space, with Newmont achieving over $US1bn more than the market had initially estimated for asset sales.

Newmont has been selling assets in North America, Australia and Africa following its $24bn acquisition of Newcrest in 2023. Most recently, it agreed to sell its Eleonore mine in Quebec, Canada for up to $US795m to Dhilmar, which analysts at Macquarie said was 62 per cent higher than its valuation.

Newmont expects its final two non-core remaining assets, Porcupine and Cripple Creek & Victor Mine Gold Mine in Colorado, to be sold in the first quarter of next year, and they are valued at about $US1.5bn.

It had targeted returns of $US2bn from assets sales and has realised $US3.6bn, excluding two others to go A share buyback is expected to be on the cards. It sold its Akyem mine in Ghana to Zijin Mining for $US1bn in October and has also sold the Telfer asset in WA in August for $714m to Greatland Gold.

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