



Acquisition consolidates PNG nickel sulphide trend

LCL Resources Ltd (**ASX: LCL**) (**LCL or the Company**) advises that it has executed a binding Tenement Sales Agreement (**Agreement**) with Papuan Minerals Limited (**Papuan**), an unlisted public PNG exploration company, to acquire 100% ownership of exploration licences EL 2391 and EL 2560 (together the **Papuan Licences**) (Figure 1). When combined with LCL's existing exploration licences, applications and agreement to acquire EL 2566 from Munga River Ltd, acquisition of the Papuan Licences secures LCL's control of a significant region prospective for nickel mineralisation.

EL 2391 contains the Doriri Ni-Pd-Pt-Co target located 10km from LCL's Veri Veri Nickel Project.¹ Equi-distant between Doriri and Veri Veri is the Iyewe nickel target on EL 2566². The close proximity of the three targets, each residing in ultramafic intrusive (typically dunite) lithologies of the Papuan Ultramafic Belt (PUB) proximal to the Keveri Fault Zone, is a compelling and priority regional target for nickel sulphides.

The Company has commenced a detailed review of the Papuan Licences and will subsequently provide further details of targets and prospectivity once the information is confirmed to JORC 2012 standard.

The agreement permits LCL to acquire each of EL 2391 and EL 2560, with the acquisition of EL 2560 conditional upon its renewal. Completion of each acquisition is also subject to the transfer of titles of each of the Papuan Licences to LCL. The application for renewal of EL 2560 is currently with the relevant authorities.

Key elements of the transaction include:

1. Issue of 7,239,382 fully paid LCL ordinary shares to Papuan on completion of the transfer of EL 2391 to LCL.
2. Issue of 2,413,127 fully paid LCL ordinary shares to Papuan on completion of the transfer of EL 2560 to LCL.
3. Grant of a 2% NSR (**Royalty**) to Papuan on minerals extracted from the Papuan Licences. LCL has the right to purchase, at any time, the Royalty over EL 2391 for a cash payment of AUD\$3.75M; and the Royalty over EL 2560 for a cash payment of AUD\$1.25M.
4. Completion is conditional on due diligence by LCL on the Papuan Licences, to its reasonable satisfaction, within 30 days of signing and LCL may withdraw from the Agreement if completion of the transfer of either of the Papuan Licences does not occur within six months of execution.

LCL's Managing Director, Jason Stirbinskis added "We now hold the dominant position across the ultramafic lithologies in the south of PNG. These units are highly prospective for nickel mineralisation as evidenced by our Veri Veri nickel sulphide project, the established Iyewe and Doriri targets and large nickel stream sediment anomalies at Wedei and Safia. We

¹ See announcement 20 July 2023 for further detail.

² LCL has a binding agreement to acquire EL 2566, see ASX announcement 26 June 2023 for transaction details.

also note the potential for nickel laterites, particularly in the northern region, near the advanced Wowo Gap Nickel Project, north-east of our boundary³.

The Company has commenced a detailed review of the Papuan Licences and is assimilating the data into our regional targeting models. We now have a 3,400km² parcel of ground in southern PNG which captures prime nickel sulphide and laterite targets. Our footprint also captures over 130km of the Keveri Fault Zone, an established controlling structure for known nickel sulphide mineralisation within Papuan Ultramafic Belt lithologies. Copper-gold mineralisation at the Company's Ubei and Liamu projects and the Urua Cu-Au complex, acquired in the Papuan transaction, are also interpreted to be controlled by elements of the Keveri Fault Zone."

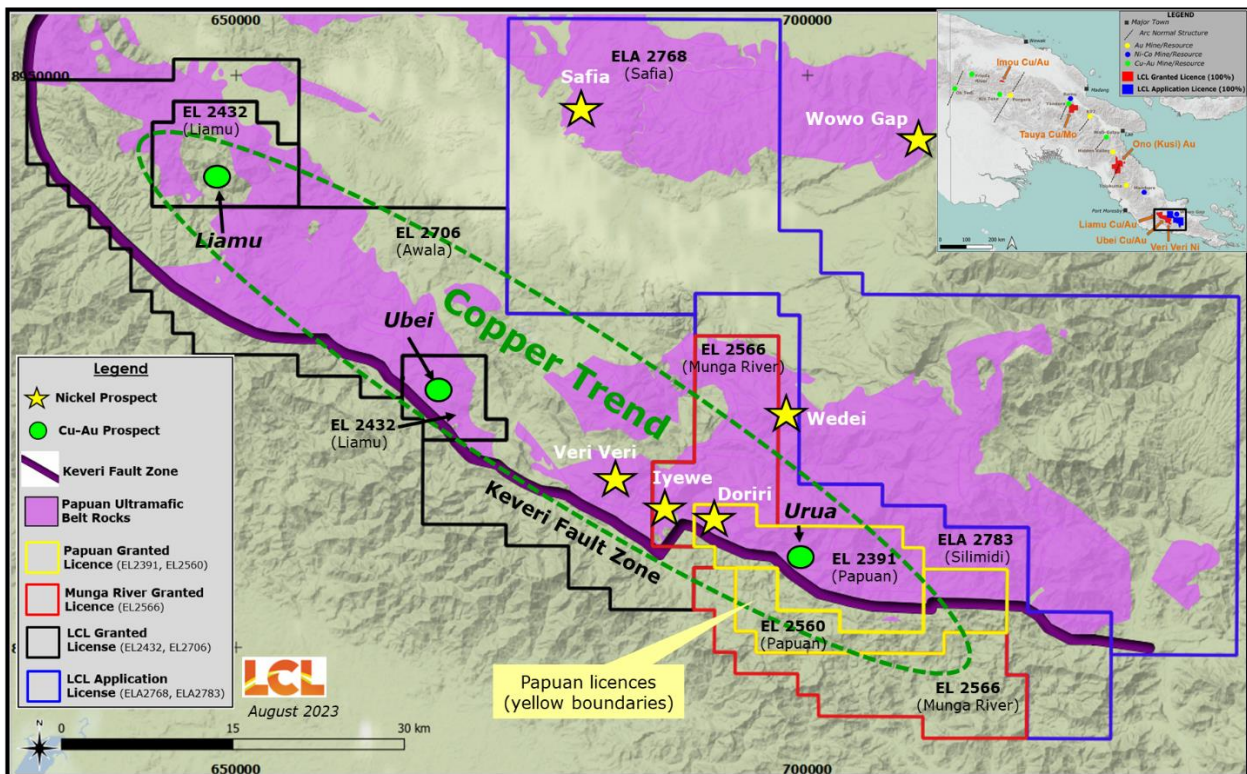


Figure 1: Acquisition of the Papuan Licences secures the southern area of PUB which is prospective for nickel and extends LCL's control over a copper-gold trend associated with the Keveri Fault Zone.

For the purpose of ASX Listing Rule 15.5, the Board has authorised this announcement to be released.

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FORWARD LOOKING STATEMENTS This document contains forward looking statements concerning LCL Resources. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently

³ See announcement 27 July 2023 for further detail.



subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking statements in this document are based on LCL's beliefs, opinions and estimates of LCL as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments. Although management believes that the assumptions made by the Company and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. Forward-looking information involves known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, the actual market price of gold, the actual results of future exploration, changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's publicly filed documents. Readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws. No representation, warranty or undertaking, express or implied, is given or made by the Company that the occurrence of the events expressed or implied in any forward-looking statements in this presentation will actually occur.

JORC STATEMENTS - COMPETENT PERSONS STATEMENTS

The technical information related to LCL's assets contained in this report that relates to Exploration Results is based on information compiled by Mr John Dobe, who is a Member of the Australasian Institute of Mining and Metallurgy and who is a Geologist employed by LCL on a full-time basis. Mr Dobe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Dobe consents to the inclusion in the release of the matters based on the information he has compiled in the form and context in which it appears.