

## WEBBS AND CONRAD SILVER PROJECTS ACQUISITION PROCEEDING TO COMPLETION

### HIGHLIGHTS

- **Due Diligence on transaction completed** by both parties
- **Definitive agreements for the sale and purchase of the Webbs and Conrad silver projects signed**
- Thomson EGM to approve equity consideration planned for mid March 2021
- Development of Thomson exploration strategies for Webbs and Conrad silver projects underway

**Thomson Resources (ASX: TMZ)** (Thomson or the Company) advises that it has completed its due diligence on the Webbs and Conrad silver projects and Silver Mines Limited (ASX: SVL) (“Silver Mines”) has completed its due diligence on Thomson and both parties have agreed to proceed to Completion of the sale and purchase of the Webbs and Conrad silver projects.

As a result, the parties have signed and exchanged Definitive Agreements to effect the terms of the sale and purchase as previously documented in a Terms Sheet<sup>1</sup>.

Thomson will now proceed to call an Extraordinary General Meeting (EGM) of Thomson shareholders to approve the issue of the Share Consideration and the Option Consideration to be issued to Silver Mines at Completion of the acquisition. The Company is currently targeting mid March 2021 for the EGM with final details to be advised once the Notice of Meeting is finalised. Completion of the transaction will then occur shortly after shareholders have approved the issue of the equity consideration.

Thomson has been assisted by Global Ore Discovery consultants throughout the due diligence evaluation and have been working with Thomson to develop its exploration strategy for Webbs and Conrad silver projects. The Company wishes to thank Global Ore Discovery for their assistance throughout this process and for their ongoing support.

#### **Executive Chairman David Williams commented:**

*“The completion of due diligence on Webbs and Conrad and signing of the definitive agreement has allowed Thomson to progress another step closer to the completion of this transformative acquisition.*

*Webbs and Conrad represent quality cornerstone assets central to Thomson’s strategy to become a significant silver and gold exploration and development company. Webbs and Conrad host multi-million ounce silver deposits and along with Thomson’s Horton gold project have considerable exploration potential.*

*Thomson is building a significant footprint in the region and sees further opportunities to consolidate the company’s position in this mineral endowed corner of the New England Orogen (Figure1). Thompson intends to systematically explore the Webbs and Conrad projects while evaluating the potential for other accretive acquisitions in the region.*

*Planning for the Webbs and Conrad exploration program is already underway. We look forward to finalising the transaction and commencing exploration in the near future.”*

<sup>1</sup> See ASX Release dated 12 November 2020 – Thomson to Acquire Two Transformational NSW Silver Deposits and Completion of \$6M Capital Raise

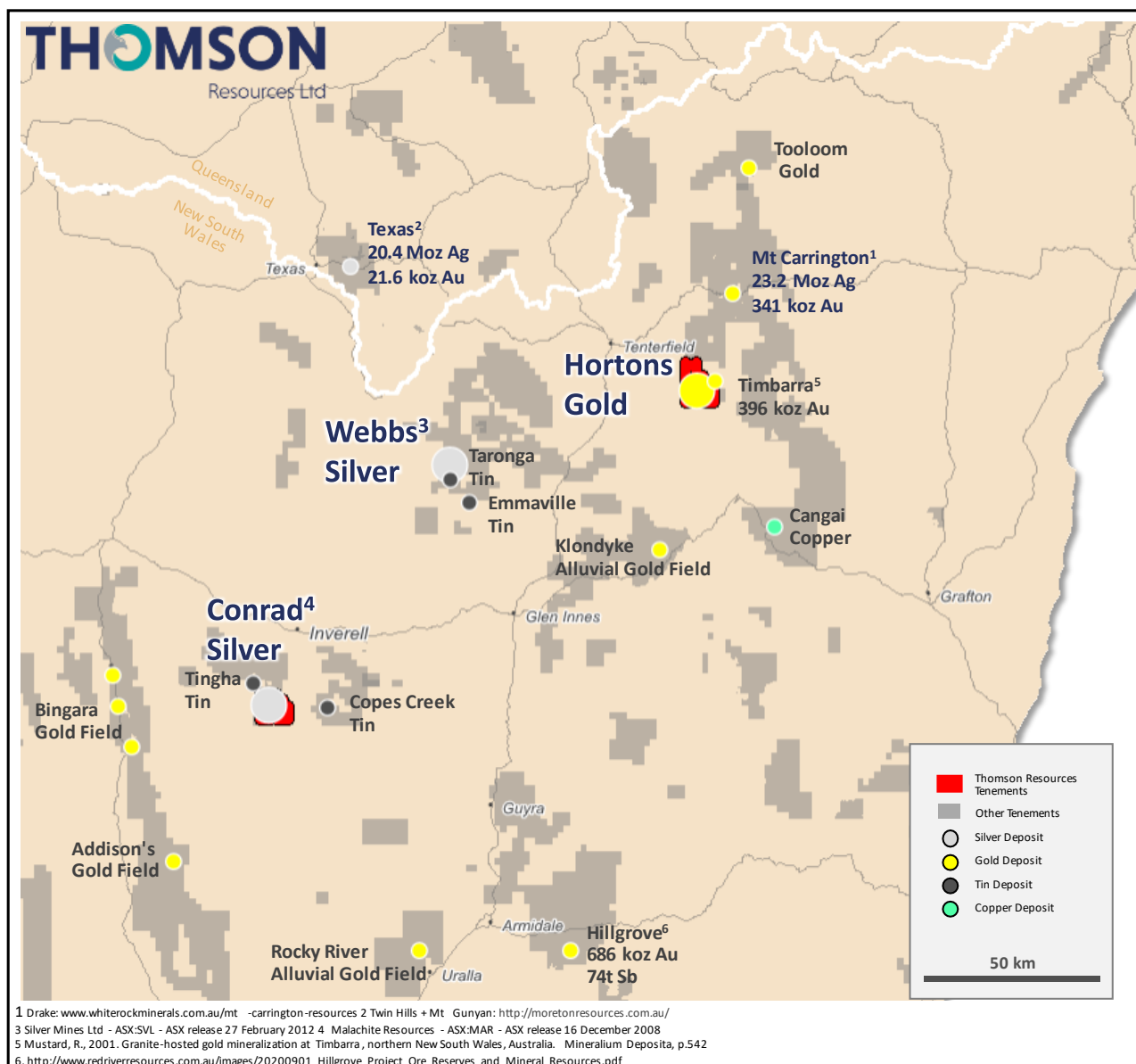


Figure 1 – Webb's and Conrad Location

## Webb's and Conrad Silver Projects

The **Webb's Silver Project** is a high-grade silver-polymetallic deposit located 65 km from Inverell in northern New South Wales (see Figure 1).

Silver mineralisation at Webb's was discovered in 1884. From 1884 to 1901 approximately 55,000t of ore was mined at an average grade of at least 23 oz/t (approx. 710 g/t) silver<sup>1</sup>. At Webb's Main, mining reached 210m below surface and extracted a high grade steep south plunging shoot. Numerous additional shafts, some up to 50m deep and smaller prospecting pits occur along the 2km long mineralized trend.

Three lines of lode are identified in the vicinity of the main shaft, with historical production focused on the Webb's Main Lode. Two lodes, identified as 'Eastern' and 'Western' lodes, form a left stepping en-echelon configuration and are potentially structurally repeated equivalents of the central lode.

Whilst the wider tenement area remains largely underexplored there is over 30,000m of drilling data which was previously undertaken by Silver Mines. This will provide Thomson with detailed information

required to plan follow up drill programs to test open high-grade shoots to depth and to explore for additional concealed mineralisation in the area.

**The Conrad Project** is a high grade silver-polymetallic deposit located 85 km SW of the Webbs deposit and 25 km from the town of Inverell in northern New South Wales.

The Conrad Mine was historically one of the largest silver mines in the New England region having produced ~3.5Moz of silver from 175kt of ore with by-product lead, zinc, copper and tin. Recorded average grades were of the order of 19 oz (approx. 600g/t) silver, 8% lead, 4% zinc, 1.5% copper and 1.5% tin<sup>1</sup>. Production commenced in 1891 and continued until 1912, when production ceased before recommencing in 1947 as well as 1955 - 1957.

The Conrad lodes were historically worked over a 1.4km strike length to a maximum depth of 267m. The line of lodes extends south-eastwards for at least a further 2000 metres and there is considerable exploration potential to test open high grade shoots to depth, to explore for concealed shoots to the SW and to explore for parallel lode systems adjacent to the Conrad lodes and drill test a series of satellite prospects in the district for additional silver resource.

Going forward, TMZ will seek to explore the Webbs and Conrad projects in parallel and will endeavour to convert existing resources to JORC 2012 standard. The exploration strategies for both projects are currently being developed by Thomson in conjunction the company's geoscientific consultants, Global Ore Discovery.

For a more detail discussion of the projects and the transaction details see Thomson's ASX Release dated 12 November 2020 – "Thomson to Acquire Two Transformational NSW Silver Deposits and Completion of \$6M Capital Raise".

The Company will keep shareholders informed of progress.

This announcement was authorised for issue by the Board.

## **Thomson Resources Ltd**

### **David Williams**

Executive Chairman

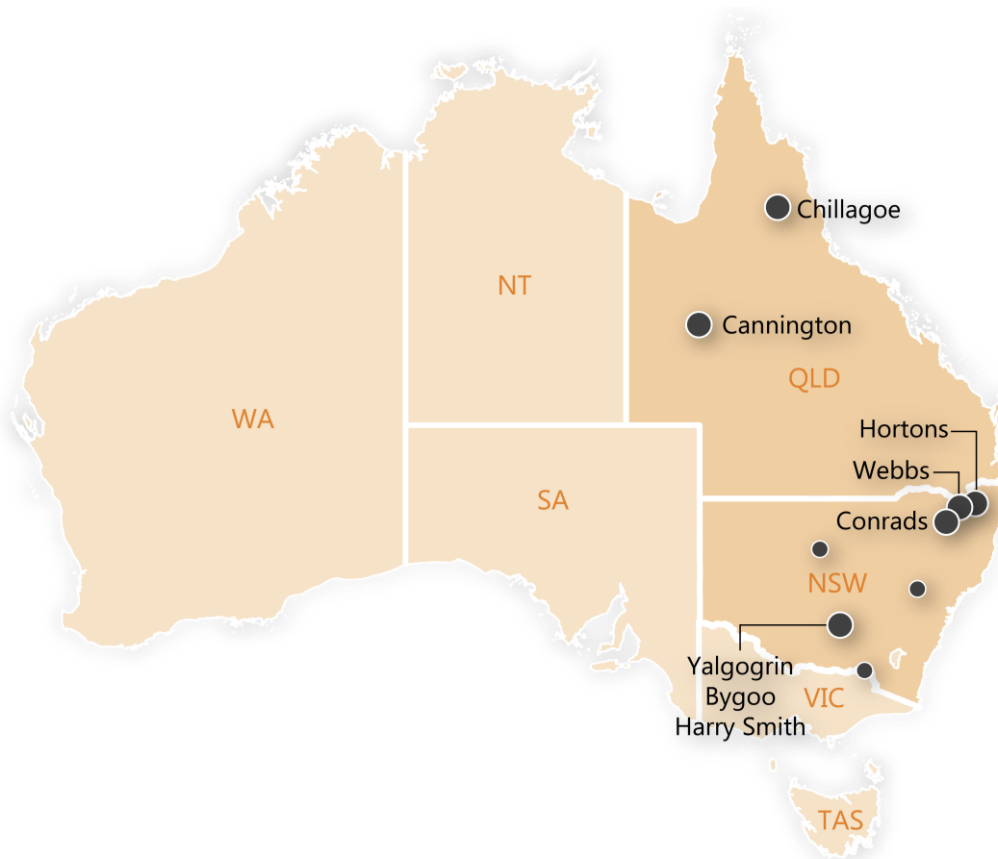
<sup>1</sup> Refer ASX:TMZ announcement 12 November 2020, Thomson to Acquire Two Transformational NSW Silver Deposits and Completion of \$6M Capital Raise.

### **Competent Person**

*The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Eoin Rothery, (MSc), who is a member of the Australian Institute of Geoscientists. Mr Rothery is a full-time employee of Thomson Resources Ltd. Mr Rothery 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 Rothery consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*This report contains information extracted from previous ASX releases which are referenced in the report and which are available on the company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

**THOMSON RESOURCES PROJECT OVERVIEW**



*Figure A -Thomson Resources Project Areas*



*Figure B: Location of Thomson Resources Projects in NSW*



### **Webbs and Conrad Silver Projects**

Thomson has entered into a binding Terms Sheet with Silver Mines Limited (ASX: SVL) to acquire the Webbs and Conrad silver projects in the New England Fold Belt, NSW. Webbs silver project is the highest-grade undeveloped silver project in Australia. When Conrad silver mine operated in 1891 to 1912 it was one of the largest silver producers in the New England region. Collectively the projects have a combined JORC (2004) Resource of 34M ozs Ag Eq at a grade of 257g/t Ag Eq (Webbs has 16.5M ozs Ag Eq at 345g/t Ag Eq & Conrad 17.5M ozs Ag Eq at 206g/t Ag Eq)<sup>2</sup>.

### **Cannington Silver Project**

Thomson has submitted an EPM application, EPM27742, over an area 10km west of the Cannington silver mine. The EPM contains the Brumby prospect which is a discrete magnetic high. It is noted that the Cannington silver deposit was discovered through drill-testing of an isolated magnetic anomaly<sup>3</sup>.

### **Harry Smith Gold Project**

The Harry Smith Gold Project was granted to Thomson Resources in 2016 and lies 30km south of Ardlathan. Three distinct gold-bearing quartz reefs occur at the Harry Smith prospect and were worked historically from 1893 to 1942. Total recorded production was over 3,500 ounces of gold (Mines Record 2507). Thomson Resources has drilled 25 holes to date with significant gold intercepts on all three lodes including a strong high-grade hit on the Silver Spray lode (**9m at 9.2 g/t Au** from 38m in HSRC009, within a broader zone of **17m at 5.2 g/t Au**)<sup>4</sup>.

### **Yalgogrin Gold Project**

The Yalgogrin Gold Project was acquired by Thomson in October 2019. EL 8684, together with the recently granted EL 8946, covers the Yalgogrin Gold Field with multiple historic gold workings. Gold was first produced at Yalgogrin in 1893 and continued sporadically at multiple centres until 1954. Total historic production from the workings is estimated at more than 15,000 ounces at grades averaging over 1 ounce per ton. Multiple high-grade surface samples occur at and between historic workings and there has been little modern drill follow up<sup>5</sup>. Maiden drilling by Thomson in August 2020 intersected the first known high-grade gold results below two sets of workings: 5m at 10.3 g/t Au below the Bursted Boulder shafts and pits and 2m at 7.5 g/t Au below Shellys<sup>6</sup>.

### **Queensland Gold Project (Chillagoe)**

The Queensland Gold Project is located near Chillagoe in Far North Queensland, 150km west of Cairns. It lies 30km west of Chillagoe near the Mungana, Red Dome and King Vol mining operations. The Project comprises 5 granted Exploration Permits and 1 Exploration Permit Application covering 593 square kilometres. The Project is currently being acquired from Bacchus Resources Pty Ltd and the Company is working towards completing satisfaction of all of the conditions precedent (see ASX Release dated 10 August 2020 for more details regarding the Project and acquisition terms).

The principal target type in the area is Intrusion Related Gold (IRG) deposits which are typically associated with felsic Carboniferous breccia pipe and intrusive complexes. In this area several such bodies are known and display features typical of the nearby Red Dome and Mungana IRG deposits.

### **Hortons Gold Project**

The Hortons Gold Project is situated 30km south east of Tenterfield in Northern NSW and comprises one exploration licence which covers 58 sq. km and has several gold anomalies. The Project is currently being acquired from Syndicate Minerals Pty Ltd and the Company is working towards completing satisfaction of all of the conditions precedent (see ASX Release dated 31 August 2020 for more details regarding the Project and acquisition terms).

The Project has high potential for Intrusion-Related Gold System (“IRGS”) type gold mineralization and has a number of gold targets, of which some have historic drilling. Best intercepts were at the Hortons Prospect with **30m at 8.6 g/t Au** from 24m depth in HOD100 and **67m at 3.8 g/t Au** from 15m depth in RSMPQ4.

### **Bygoo Tin Project**

The Bygoo Tin Project was acquired by Thomson Resources in 2015 and lies on the 100% owned EL 8260. The EL surrounds the major tin deposit at Ardlathan which was mined until 1986 with over 31,500 tonnes of tin being produced (reference Paterson, R.G., 1990, Ardlathan tin deposits in the Australasian Institute of Mining and Metallurgy Monograph no. 14, pages 1357-1364). There are several early-twentieth century shallow tin workings scattered up to 10km north and south of Ardlathan, and few have been tested with modern exploration. Thomson has had immediate success in drilling near the historic workings at Bygoo, which lie towards the northern end of the tin-bearing Ardlathan Granite.

At Bygoo North Thomson has intersected multiple high-grade tin intersections in a quartz-topaz-cassiterite greisen including **11m at 1.0% Sn** (BNRC10), **35m at 2.1% Sn** (BNRC11), **11m at 1.4% Sn** (BNRC13), **11m at 2.1% Sn** (BNRC20), **29m at**

<sup>2</sup> These resources were prepared and first disclosed under the JORC Code 2004 (Conrad: Malachite Resources – ASX:MAR – ASX release 16 December 2008, Webbs: Silver Mines Ltd – ASX:SVL – ASX release 27 February 2012). These resources have not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. All material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed

<sup>3</sup> Thomson Resources ASX Release dated 4 November 2020 (Brumby)

<sup>4</sup> Thomson Resources ASX Releases of 16 September 2016, 26 March 2018, 19 June 2018, 16 January 2019 and 29 January 2019

<sup>5</sup> Thomson Resources ASX Releases 12 October 2020 (Yalgogrin)

<sup>6</sup> Thomson Resources ASX Release 18 August 2020 (Yalgogrin)

## ASX ANNOUNCEMENT

27 January 2021

**1.0% Sn** (BNRC33) and **19m at 1.0% Sn** (BNRC40). The greisens appear to be steep to vertical; about 5-10m wide in true width; strike east-west; and the tin intersections appear to have continuity within the greisen.

At Bygoo South Thomson has intersected a sulphide-rich quartz topaz greisen with high-grade tin intersections including **8m at 1.3% Sn** (BNRC21), **20m at 0.9% Sn** (BNRC31) and **7m at 1.3% Sn** (BNRC35). The orientation and geometry of this greisen is not yet clear. 20km south of Bygoo Thomson has intersected more tin at one of the old workings in the Bald Hill tin field with a best result of **15m at 0.4% Sn** from 19m depth in hole BHRC01<sup>7</sup>.

<sup>7</sup> Thomson Resources ASX Releases of 21 November 2016, 28 June 2017, 16 October 2017, 5 April 2018, 5 July 2018 and 7 January 2019