

TEM | Tempest and Karara Mining Limited sign Joint Venture MOU

Key Points

- TEM and Karara Mining Limited (KML) have signed a memorandum of understanding (MOU)
- The MOU provides pathway to finalise a Joint Venture over KML exploration ground
- The agreement allows TEM access to 138km² of underexplored Yalgoo Greenstone Belt
- TEM will have the exclusive right to earn up to 70% of the project area over 4 years

News Item

Tempest Minerals Ltd (TEM) is pleased to announce the signing of a non-binding conditional memorandum of understanding (MOU) with Karara Mining Limited (KML) to enter into an exploration Joint Venture (JV) over KML's exploration leases (Assets) along strike from the Karara Magnetite Iron mine in Western Australia.

The MOU provides a non-binding agreement with the aim of entering a Joint Venture over KML exploration ground where TEM has exclusive right to earn up to 70% of the project area over 4 years.

The exploration package includes 138km² of highly prospective yet underexplored Yalgoo Greenstone Belt which is adjacent to the 100% owned TEM Euro Project.

TEM is pleased to add this opportunity to its portfolio of assets, as it continues to progress its Meleya and other projects in the region.

KML Senior Executive, Dr Gaomai Trench, commented in response to the MOU signing "We are excited to begin this new chapter at the Karara Project. With KML's renewed focus on production at the Karara Magnetite Mine, there is a natural synergy to work on our projects with Tempest who are actively exploring in the region".



Figure 01: KML CEO Changjiang Zhu and TEM MD Don Smith signing JV MOU documents in Perth

Karara Project

Joint Venture

TEM and KML have entered into a non-binding conditional MOU with the intent of completing a Joint Venture. Under the MOU, the parties intend to enter into formal earn-in and joint venture agreements (Formal Agreements) to document the Transaction.

TEM will have the exclusive right to earn up to a 70% legal and beneficial interest in the Assets over a 4 year earn-in period, subject to normal due diligence and other conditions being met, satisfied or waived. If TEM earns an interest in the Assets, the parties intend to enter into an unincorporated exploration Joint Venture for the Assets.

Transaction terms

Stage 1 (commencement): TEM will issue to KML (or its nominee) \$30,000 in fully paid ordinary shares or pay \$30,000 in cash and will have the right to earn a 51% interest in the Assets (Stage 1 Interest) free from encumbrances by incurring A\$800,000 of exploration expenditure on the Tenements over a period of 2 years and 6 months.

Stage 2: On earning the Stage 1 Interest, TEM can elect to carry on to the Stage 2 Earn-in Period to earn the Stage 2 Interest of up to 70% of the Project. TEM will issue to KML (or its nominee) \$20,000 in shares or pay \$20,000 in cash and will have to spend A\$400,000 of exploration expenditure on the Tenements over a period of 2 years.

Background

The Karara Iron Mine is located 200 km south-east of Geraldton in Western Australia. Karara is the first and largest magnetite mine in the Western Australian Mid West and has an expected life of 30+ years which underpin sustainable benefits to the regional community. The operation includes a large open pit mine, complex ore processing and beneficiation plant and significant infrastructure and logistics networks ¹.

TEM is exploring the abutting 100% Euro Project where it recently announced multiple polymetallic intersections in recent drilling ². The company believes the geology at Euro is contiguous into the new JV ground.

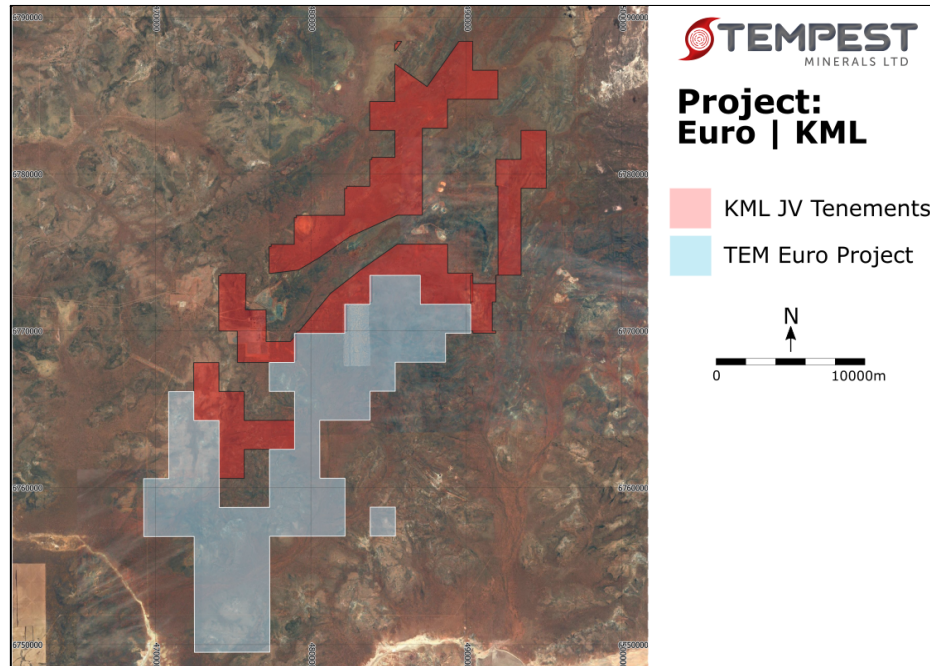


Figure 02: Map showing proposed KML JV ground and TEM Euro Project

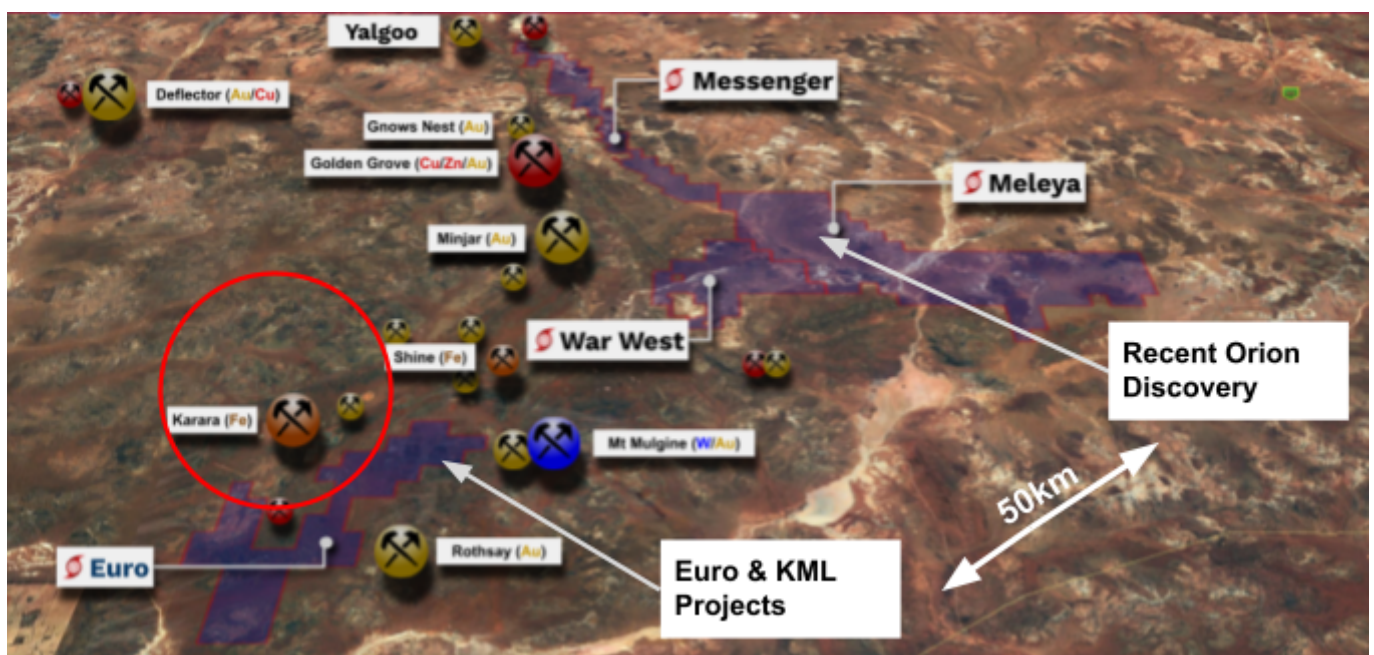


Figure 03: Map of TEM Yalgoo Projects (KML in red circle)

Next Steps

- Completion of Earn in and Joint Venture Formal agreements
- Commencement of exploration on the KML exploration tenements
- TEM ongoing exploration in the region
- Current preparation for geophysical surveys, geochemical sampling and drilling at multiple projects
- Initial assays from the recent drilling at the Meleya Project expected in June 2022

The Board of the Company has authorised the release of this announcement to the market.

About TEM

Tempest Minerals Ltd is an Australian based mineral exploration company with a diversified portfolio of projects in Western Australia considered highly prospective for precious, base and energy metals.

The Company has an experienced board and management team with a history of exploration, operational and corporate success.

Tempest leverage the team's energy, technical and commercial acumen to execute the Company's mission - to maximise shareholder value through focussed, data-driven, risk-weighted exploration and development of our assets.

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The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward-looking statements will be or are likely to be fulfilled. Tempest undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this document (subject to securities exchange disclosure requirements).

The information in this document does not take into account the objectives, financial situation or particular needs of any person or organisation. Nothing contained in this document constitutes investment, legal, tax or other advice.

Competent Person Statement

The information in this announcement that relates to Exploration Results and general project comments is based on information compiled by Don Smith who is the Managing Director of Tempest Minerals Ltd. Don is a Member of AusIMM and AIG and has sufficient experience relevant to the style of mineralisation under consideration and to the activities undertaken 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'. Don consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix A: References

1. Karara Mining Website <https://www.kararamining.com.au/>
2. TEM ASX announcement dated 23 May 2022 "Euro - Encouraging Gold And Polymetallic Results Confirm Potential"