

## Binding Sale Agreement to Dispose of the Non-Core Texas Project Executed

### HIGHLIGHTS

- ❖ Thomson has entered into an agreement to dispose of the Texas Project (**Agreement**), for a total consideration to be paid to Thomson of approximately A\$3.5M
- ❖ Texas Project identified in Thomson's Central Processing Pathway Study as non-core to the New England Fold Belt Hub and Spoke Strategy (**NEFBHS**)
- ❖ Private company, Warwick Gold Holdings Pty Ltd (**WGH**), takes immediate operational control of Texas pending completion of the acquisition
- ❖ Texas Project will add to the already significant tenement holding of WGH surrounding the Texas Project
- ❖ Agreement means a significant operational cost currently being borne by Thomson is removed
- ❖ WGH's intention is to restart processing operations at the Texas Project as soon as possible, using WGH's proprietary IP

**Thomson Resources (ASX: TMZ) (OTCQB: TMZRF) (Thomson or the Company)** is pleased to advise that it has entered into a binding agreement with private company, Warwick Gold Holdings Pty Ltd (**WGH**) pursuant to which WGH will acquire the Texas Project and all its assets from Thomson (**Agreement**). Key terms of the Agreement are set out below.

### Executive Chairman David Williams commented:

*"This is the start of Thomson's disposal of non-core projects to ensure that its resources are focused on the key development project of the New England Fold Belt Hub and Spoke silver-gold-base metal project (**NEFBHS**).*

*"Texas was identified in the recent Central Processing Pathway Study as not satisfying the techno-economic evaluation and hence became non-core to the NEFBHS strategy. That, coupled with the high operational costs associated with holding the Project, particularly the water management costs associated with the three consecutive La Nina weather events, meant it became a high priority to dispose of the Texas Project.*

*"In WGH, we have found a group who are very enthusiastic with this area and accessing the processing facilities at Texas. This is a good outcome for the site that has proven problematic for a number of operators, but WGH come to this with quite a different strategy.*

*"We look forward to with working with the Purchaser to provide a seamless transition of the site to them and to continue to work with them going forward on matters where there are mutual benefits."*

The Texas Project comprises 2 Mining Leases (MLs) and 7 Exploration Permits – Minerals (EPMs) and various assets. The Project is located 8km east of the township of Texas in Queensland (Qld), approximately 10km from the border with New South Wales (NSW) (Figure 1). The Texas mine is located in an area of cleared grazing land and open woodland adjacent to the sealed Stanthorpe-Texas Road, 115 km from Tenterfield in NSW.

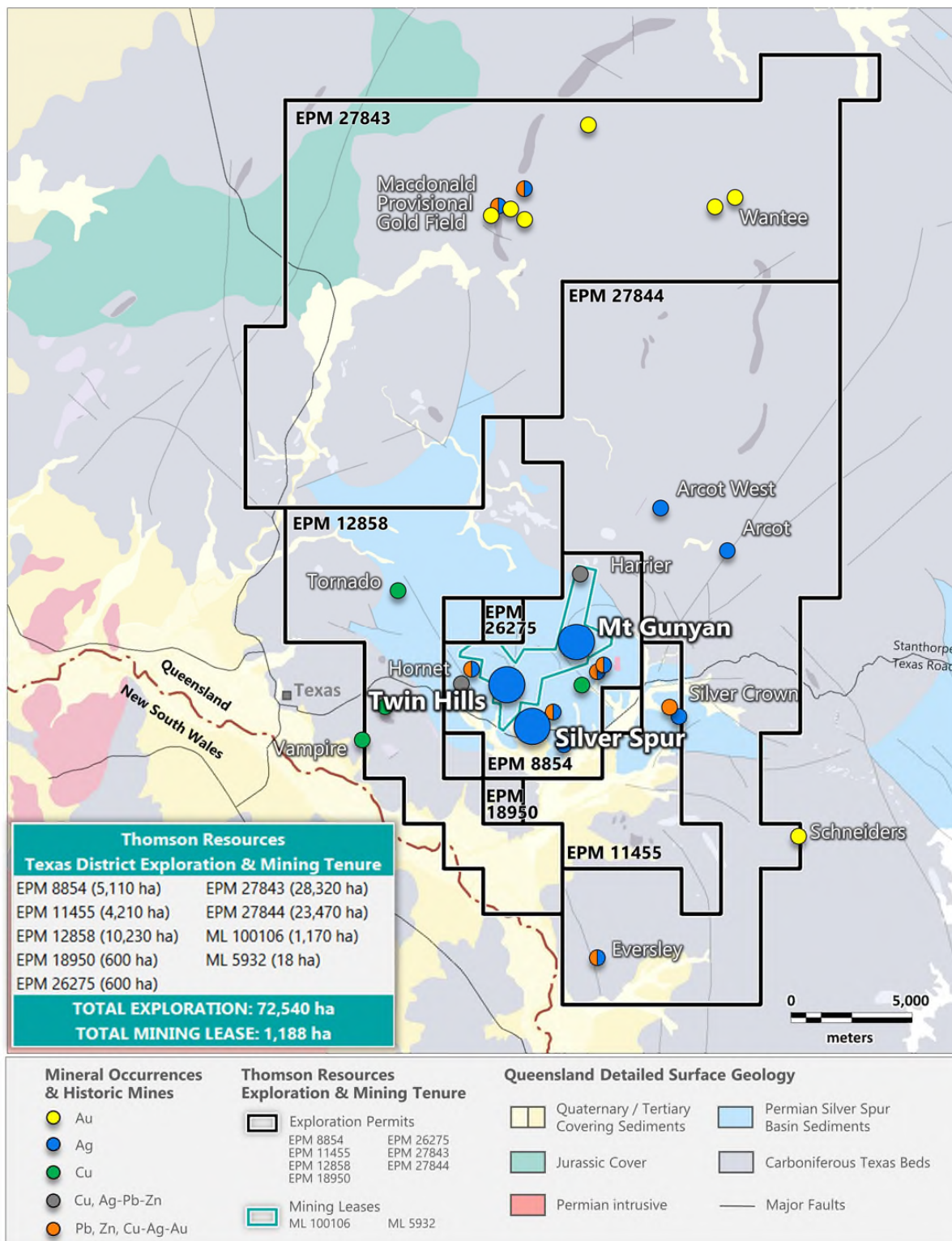


Figure 1 – Thomson's Texas Project

## Texas Tender Transaction Details

Thomson has entered into a binding Mine Sale Agreement (**Agreement**) with Warwick Gold Holdings Pty Ltd (**WGH**) for the sale by Thomson and the purchase by WGH of the Texas Project. Pursuant to the Agreement:

- WGH will purchase all of the assets of Thomson in relation to the Texas Project, including:
  - 2 Mineral Leases (**ML**) and 7 Exploration Permit Minerals (**EPMs**) (see Annexure 1 for details);
  - 4 freehold properties (see Annexure 1 for details);
  - 2 Environmental Authorisations (see Annexure 1 for details);
  - Various plant & equipment associated with the mining operations;
  - The existing Provided Financial Assurance;
  - All mineral resources, including in the heap leach pads, heap leach circuit and low grade stock piles; and
  - All mining information.
- WGH will take on all existing and future environmental liabilities and will take full operational control of the Texas Project effective from the date of the Agreement.
- The Consideration to be paid to Thomson will be approximately A\$3.5M, payable as follows:
  - A\$50,000 within 5 Business Days of the date of the Agreement;
  - A\$150,000 on Completion;
  - 1% Net Smelter Royalty ("**NSR**") on any of the following ore or minerals extracted from the Tenements - silver, gold, zinc and copper contained in current Thomson published Mineral Resource Estimates for Twin Hills, Mt Gunyan and Silver Spur and material on the Heap Leach Pads at the Texas Site; and
  - An amount equal to the Existing Bonds ("**Bond Amount**") (~A\$3.3 million), which shall be paid by WGH to Thomson by WGH paying 50% of the Net Operating Margin for the processing of minerals at the Texas Site into an account nominated by TMZ on a monthly basis until the full Bond Amount has been paid to TMZ.
- During the period prior to Completion of the transaction, WGH shall be entitled to undertake activities leading to a restart of the processing plant and the processing of the material on the Heap Leach Pads, at its sole cost.
- Completion is subject to the following Conditions Precedent and will occur 5 Business Days after the satisfaction (or waiver) of the Conditions Precedent of:
  - Receiving the Minister's indicative approval of the transfer of the Tenements to WGH; and
  - All necessary approvals are in place for WGH to operate at the Texas Site for the purposes of its planned processing of the materials on the heap leach pads,

with the Conditions Precedent to be satisfied or waived on or before 31 December 2023.

# ASX ANNOUNCEMENT

6 December 2022

## General Restructure of Thomson Projects

In light of the findings from the NEFBHS Central Processing Pathway Study (see ASX Release dated 6 October 2022 - *Central Processing Pathway Study Stage 1 Results Provide Positive Outcome for New England Fold Belt Hub and Spoke*) and the positive outcome of that Study, the Board is now focused on dealing with the non-core projects.

The Texas Project sale is the first of these divestments. The Board continues discussions with interested third parties regarding the divestment of the other projects.

In the case of the Lachlan Fold Belt Project, subject to any divestment proposal providing equal or better value for shareholders, it is the Board's present intent in early 2023 to commence obtaining the necessary approvals for the demerger of the Lachlan Fold Belt, with the intent that all shares that Thomson may receive from such demerger, would be fully subject to a distribution in specie to Thomson shareholders. Further details will be provided in 2023.

This announcement was approved for issue by the Board.

**Thomson Resources Ltd**  
**David Williams**  
**Executive Chairman**



## ABOUT THOMSON RESOURCES

Thomson Resources holds a diverse portfolio of minerals tenements across gold, silver and tin in New South Wales and Queensland. The Company's primary focus is its aggressive "New England Fold Belt Hub and Spoke" consolidation strategy in NSW and Qld border region. The strategy has been designed and executed in order to create a large precious (silver – gold), base and technology metal (zinc, lead, copper, tin) resource hub that could be developed and potentially centrally processed.

The projects comprised under this strategy were acquired by Thomson in only a four-month period. These projects include the Webbs and Conrad Silver Projects, Texas Silver Project and Silver Spur Silver Project, as well as the Mt Carrington Gold-Silver base metal Earn-in and JV. As part of its New England Fold Belt Hub and Spoke Strategy, Thomson is targeting, in aggregate, in ground material available to a central processing facility of 100 million ounces of silver equivalent.

In addition, the Company is also progressing exploration activities across its Yalgogrin and Harry Smith Gold Projects and the Bygoo Tin Project in the Lachlan Fold Belt in central NSW, which may well form another Hub and Spoke Strategy, as well as the Chillagoe Gold and Cannington Silver Projects located in Queensland.

Thomson Resources Ltd (ASX: TMZ) (OTCQB: TMZRF) is listed on the ASX and also trades on the OTCQB Venture Market for early stage and developing U.S. and international companies. Companies are current in their reporting and undergo an annual verification and management certification process. Investors can find Real-Time quotes and market information for the company on [www.otcmarkets.com](http://www.otcmarkets.com).

