ASX: TSC

ASX ANNOUNCEMENT

13 OCTOBER 2022

TSC ACQUIRES OPTION OVER HIGHLY PROSPECTIVE MT EDON LITHIUM-CAESIUM-TANTALUM MINING LEASE EXPANDING BATTERY MATERIALS STRATEGY

HIGHLIGHTS:

- TSC has taken an option to farm-in to acquire the right to earn a 100% interest in the Mt Edon Project 5km from Paynes Find in Western Australia - subject to due diligence and shareholder approval
- TSC will initially fund a due diligence work program which will include a targeted 500m RC drilling program to a minimum value of $140,000 to determine whether to proceed with the farm-in
- Mt Edon tenement package sits on a fully granted Mining Lease (M59/714) historically mined for tantalum
- Mt Edon is considered highly prospective for Lithium, Caesium, Tantalum, Rubidium and Rare Earth Elements (**REE**) mineralisation
- Mt Edon tenement package hosts numerous Lithium-Caesium (Cesium)-Tantalum (**LCT**) pegmatites with Lithium and Cesium rich zones measuring up to 2.2% Li2O5 and, up to >550ppm Cs1[1]
- Historical tantalum production has been recorded within the tenement package
- The RC program is expected to commence in October 2022 to investigate the historical anomalous rock chip samples – all approvals are in place for work to commence
- During the due diligence period TSC will also pay all landholder access fees as part of the due diligence program
- Located close to excellent existing infrastructure in a globally significant hard rock lithium producing jurisdiction
- Mt Edon acquisition strengthens TSC battery metals strategy which includes the Rover Project in WA where Rio Tinto Exploration (**RTX**) has identified a sub-cropping weathered pegmatite unit considered prospective for lithium (spodumene) and tantalum mineralisation

[1] Summary of rock chip samples taken over past few years (2022)

Twenty Seven Co. Limited (ASX: TSC) (**TSC** or **the Company**) is pleased to announce that is has entered into an exclusive legally binding farm-in and joint venture term sheet (**Term Sheet**) to earn up to a 100% interest in the Mt Edon Project in Western Australia from privately owned Entelechy Resources Pty Ltd (**Entelechy**).

The Mt Edon Project contains the Mt Edon Pegmatite Field which sits on a granted Mining Lease M59/714 (ML), located in the Southern portion of the Payne's Find Greenstone Belt (Fig 2) – an area known to host swarms of Pegmatites.

The Mt Edon tenement package is considered highly prospective for a suite of highly valuable critical metals including Tantalum, Caesium, Lithium (LCT) Rubidium and Rare Earth Elements (REE).

TSC has been granted a 120-day exclusive right to undertake a due diligence work program which will include a 500m RC drilling program. During the period TSC will also pay all landholder access fees with a minimum value of the work program being $140,000. At the end of the work program TSC can elect whether or not to proceed with the farm-in.

A staged farm-in agreement will follow an election by TSC to proceed, allowing TSC to earn a 100% interest in the project. Full material details of the Term Sheet are outlined below. Entelechy is a related party of the Company as it is 100% owned by MSCS Infrastructure Pty Ltd which is 100% owned by the Company Chairman Mark Caruso's son. As such the proposed farm-in under the Term Sheet will be subject to shareholder approval.

TSC plans to conduct an initial drill program of 500m to investigate the historical anomalous rock chip sample locations and any related zonation of nine pegmatites and will commence in October 2022. All approvals are currently in place to start the drilling.

Figure 1: Geological staff sampling at Mt Edon

Commenting on the acquisition of the Mt Edon Project, Chief Operating Officer Mr Simon Phillips said:

"TSC has undertaken extensive due diligence over recent months to acquire an advanced battery metals exploration asset for shareholders. The Mt Edon Project is a compelling and high-quality opportunity for TSC that significantly strengthens our existing focus on critical metals exploration to complement our precious metal portfolio.

Mt Edon is located in a premier lithium exploration jurisdiction and with known high-grade lithium mineralisation and historic tantalum production recorded within the tenement package, our technical team is very confident we can unlock the full potential of this asset through modern exploration methods and targeted drilling. We look forward to providing further updates on our initial work programs and plans for Mt Edon in due course."

Mt Edon Project Summary

The Mt Edon pegmatite field host many Lithium-Cesium-Tantalum (**LCT**) pegmatites and is strategically located close to existing infrastructure, making it an excellent exploration and mine development target.

The mining lease area has proven Lithium rich zones associated with the pegmatites, as well as historical mining for Tantalum (manganotantalite and alluvial deposits: 1969-1974 Mt Edon by Alfredo Pieri), beryl and microcline feldspar (Goodingnow pits, 1975-1978, Mark Calderwood). The zonal nature of this pegmatite field has previously been defined with microcline feldspar (including amazonite) in the east (historically mined) and more complex albite rich zones containing Niobium and Lithium in the west (the current Mining Lease area). Lepidolite-Zinnawaldite (Lithium mica) rich pegmatites have been previously identified. Historical reported Lithium grades of up to 2.2%Li_2O_5 have been found on the Mining Lease (M59/714, Pancontinental Mining, 1980's, and Haddington Resources/Australian Tantalum Ltd, 2002).

Exploration work by MRC during 2019-2021 was limited to rock chip sampling and mapping due to the COVID pandemic.

Due to challenging terrain, it appears previous exploration was limited to only a few drill holes, all of them being located outside of the tenement package (Fig. 3).

Numerous pegmatites on the mining tenement have anomalous concentrations of Tantalum, Rubidium, and Cesium, which are indicative elements for well fractionated Lithium rich (LCT) pegmatites.

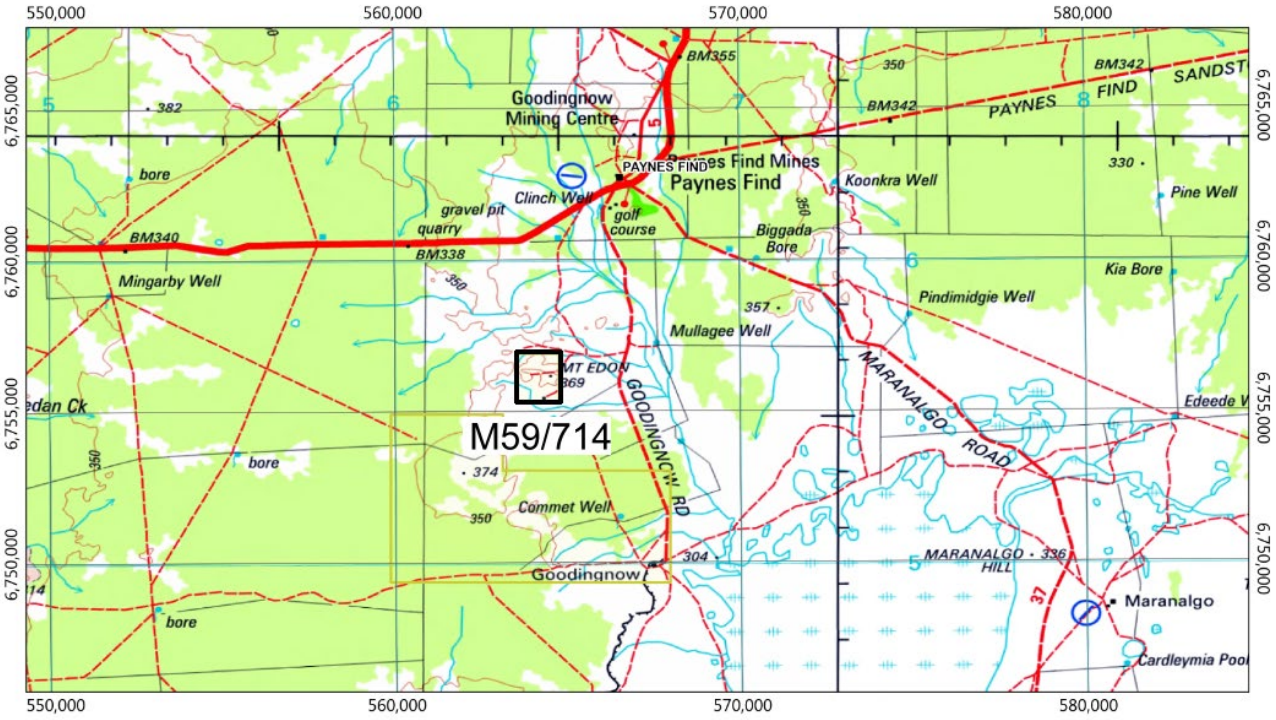

Figure 2: Mt Edon project location just south of Paynes Find

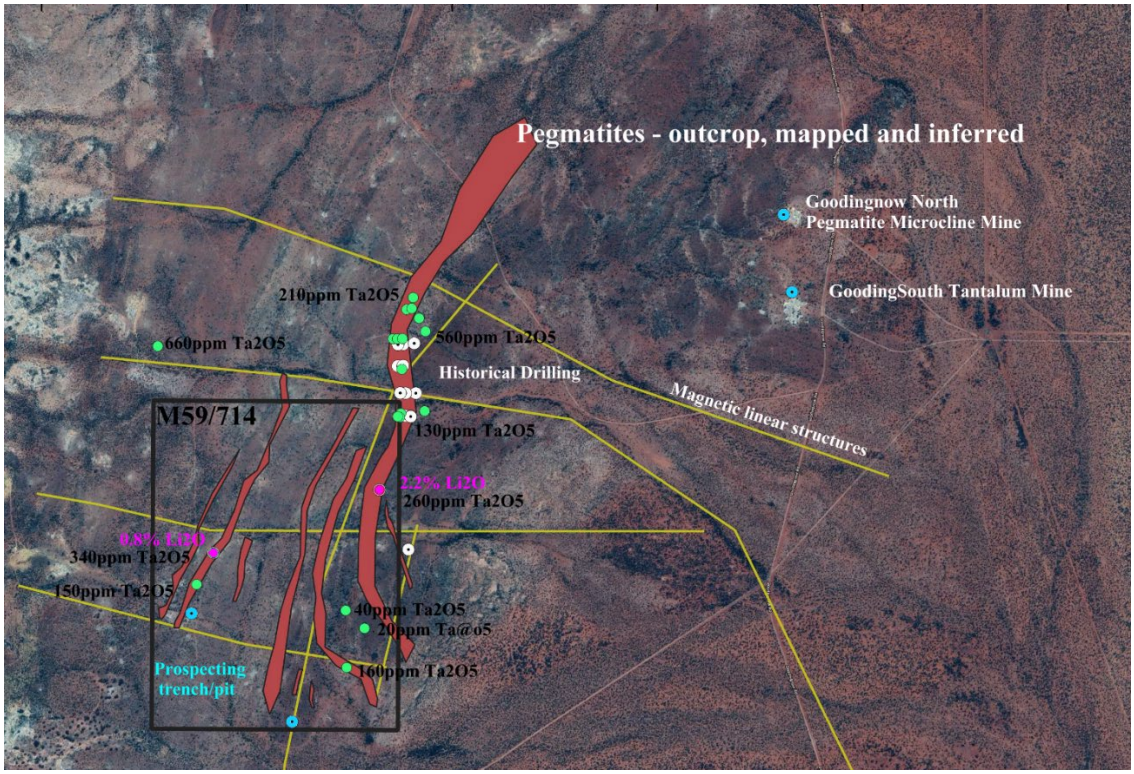

Figure 3: Mapped outcrop of pegmatites with historical sampling

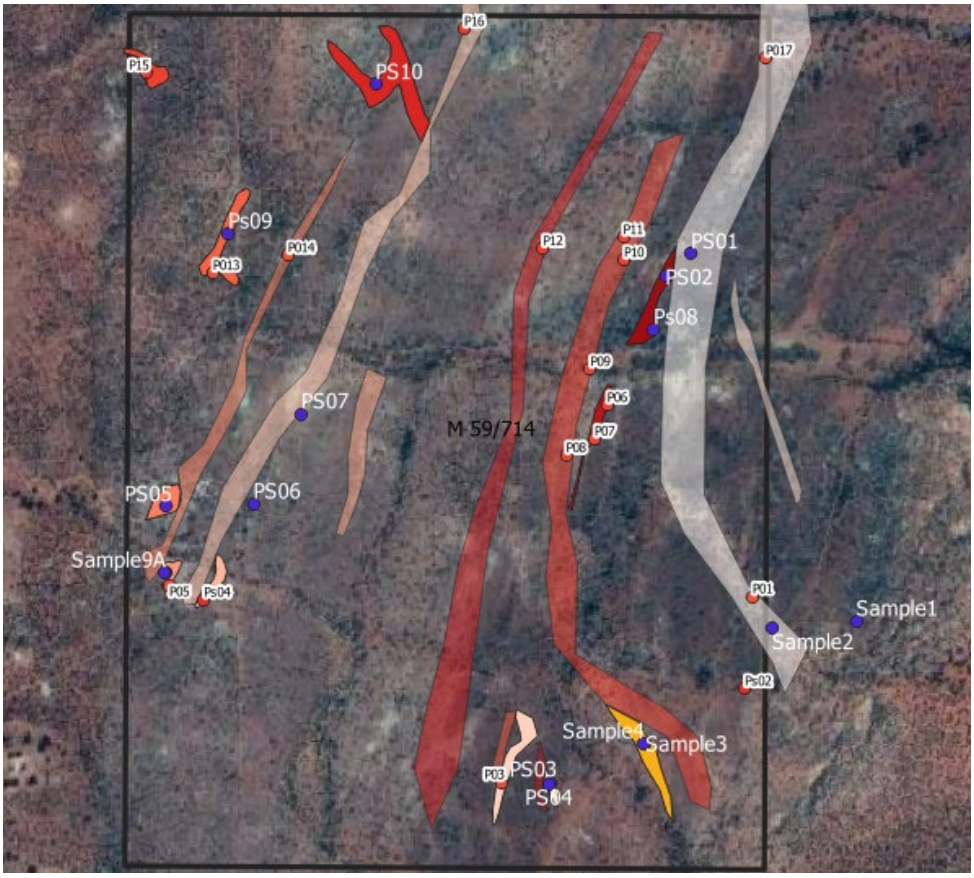

Figure 4: Map of rock chip sampling locations in and along mapped outcrop of pegmatites

Summary of rock chip samples taken over past few years

	ME-MS61L	ME-MS61L	ME-MS61L	ME-MS61L	ME-MS61L	ME-MS61L	
SAMPLE	Be	Cs	Li	Nb	Rb	Ta	K/Rb **
DESCRIPTION	ppm	ppm	ppm	ppm	ppm	ppm	
S1	2.66	52.5	71.9	39.9	1750	13.05	35
S2	0.55	9.57	21.5	5.51	1160	2.08	61
S3	24.8	5.86	19.7	57	56.3	43.3	50
S4	1.39	22.9	69.8	40.4	1500	4.73	43
S5	1.39	5.15	6.3	4.33	384	1.19	174
S6	0.17	0.49	13.1	0.391	4.58	0.05	66
S7	0.8	2.3	11	18.95	22.1	1.49	131
S8	38.8	24.7	83.9	31.1	1970	5.8	32
S9A	633	245	745	16.9	3220	150	4
S9B	20.2	>500	1395	22.6	>10000	171	8
PS01	1.93	14.45	290	55.6	376	22.9	18
PS02	10.1	>500	>10000	81.4	>10000	164	5
PS03	4.52	34.8	249	46	800	10.8	24
PS04	9.02	46	618	79	2370	36.4	12
PS05	15.85	>500	1375	38.1	7480	185.5	8
PS06	2.1	33.4	56.3	2.9	403	1.37	155
PS07	1.86	4.99	33.8	5.57	44.3	0.69	291
PS08	15.85	>500	>10000	89.6	>10000	>500	5
PS09	0.7	7.15	24.8	0.963	96.8	0.27	153
PS10	14.5	>500	2160	65.4	7730	145.5	8
P04	8.35	433	4370	30.5	8320	38.5	5
P05	0.14	1.39	20.7	0.537	16.05	0.08	6
P06	11.5	4.82	76.3	35.9	138.5	31.4	26
P08	97.3	65.6	167.5	87.2	2340	95.3	22
P09	1.22	12.55	34.7	12	45	0.83	184

Notes:
Red is anomalous
K/Rb** - Red is highly fractionated. Green is fractionated.

Material Terms of the Acquisition

TSC has executed a binding Farm-in and Joint Venture Term Sheet to farm-in to 59/714, which is currently 100% owned by Entelechy Resources Pty Ltd (**Entelechy**) in consideration for:

Exclusive Due Diligence Period	TSC is granted a 120 day exclusive right to undertake a due diligence work program	TSC must complete a drilling work program as well as pay all landholder access fees with a minimum value of the work program being $140,000
Shareholder approval will be sought if and when the Board formally resolve to exercise the exclusive right to farm-in and prior to any stage 1 farm-in consideration being paid or issued.		
Stage 1 farm-in to earn 51%	Upon completion of the following, TSC will have a 51% beneficial interest in the 59/714	TSC pays $25,000 cash for reimbursement of past expenditure TSC issues 250,000,000 ordinary fully paid shares TSC grants Entelechy a 1% gross overriding royalty on the value of all minerals produced and sold from the tenement
Joint Venture Agreement	Upon TSC achieving a 51% legal and beneficial interest in M59/714, TSC and Entelechy agree to execute a formal exploration Joint Venture Agreement based on the AMPLA model	Under the Joint Venture Agreement, the Parties agree to form an operating committee which shall comprise 2 representatives from each of TSC and Entelechy with TSC acting as manager of the Joint Venture
Stage 2 farm-in to earn 100%	Upon completion of the following, TSC will have a right to earn a further 49% legal and beneficial interest in M59/714 (resulting in TSC owning a 100% interest in the Tenement)	a) TSC completing at its sole cost and expense all exploration and development work necessary to complete a feasibility study within a period of 3 years from the anniversary of the Completion Date or any extension of the Earning Period as agreed in writing by the Parties; and b) TSC issuing ordinary shares to Entelechy to the value of 49% of the net present value of the Mt Edon Project as determined by an independent expert based on parameters and a methodology determined by the independent expert and applying a 30 day VWAP prior to the date that the Earning Obligation is satisfied.

Mining rights	On the date that TSC achieves a 100% interest in M59/714, TSC agrees to grant to Entelechy the exclusive right to undertake any and all mining and miscellaneous earthworks to be undertaken in association with the development of any resource or mine on the Tenement pursuant to the terms of a contract to be negotiated under the terms of a mining services agreement.	
Conditions precedent	a) TSC procuring any shareholder approvals as required under the ASX Listing Rules including but not limited to any approval under Chapter 10 of the ASX Listing Rules; b) the consent of the Minister to the transfer of a 51% interest in the Tenement to TSC pursuant to section 82(1)(d) of the Mining Act; and c) the Parties executing a formal and binding Farm-in and Joint Venture Agreement and Toyalty agreement.	

Next Steps

TSC to engage drilling contractor as soon as available.

The Board of Twenty Seven Co. Limited authorised the release of this announcement to the ASX.

For further information please contact:

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Competent Person's Statement

Information in this release relates to new exploration results and were reviewed by Adriaan du Toit, who is a member of the Australian Institute of Mining and Metallurgy (AusIMM) and is currently an independent consultant to TSC. Mr du Toit is the Director and Principal Geologist of AEMCO Pty Ltd. He has over 30 years of exploration and mining experience in various mineral deposits and styles which includes LCT pegmatite deposits in Australia, South Africa, Namibia, Zimbabwe and Mexico. Mr du Toit has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking to qualify as a Competent Person as defined by the 2012 JORC Edition. The information as provided by RTX was prepared under the JORC Code 2012 Edition. Mr du Toit consents to the inclusion in this release of the matters based on this information in the form and context it appears. Mr du Toit further confirms that the exploration information in this market announcement provided under listing rule 5.7 is an accurate representation of the available information.

About Twenty Seven Co. Limited

Twenty Seven Co. Limited (ASX: TSC) is an ASX-listed explorer. TSC's Australian assets comprise two tenure groupings detailed as follows:

WA Archaean Gold assets:

- **Mt Dimer Project:** is made up of mining lease M77/515 and exploration license E77/2383. The project is highly prospective for Archean gold. Soil geochemical sampling undertaken over the exploration license to the west of the MDML shows the potential for further mineralisation to be defined within the greater project area.
- **Yarbu Project:** This project is located on the Marda Greenstone belt ~ 80km to the northwest of the Mt Dimer Project. Yarbu consists of three exploration licenses (E77/2442, E77/2540 and E77/2539) which cover approximately 223sq km and are highly prospective for Archean gold deposits.
- **Rover Project:** TSC's 100% owned Rover project is located near Sandstone in a base metals and gold mineral rich area associated with Archean greenstone belts. Rover Project is a large 460sqkm tenure package covering two linear Archean greenstones, with a combined length of around 160km. Historically the area is underexplored.

NSW Iron Oxide-Copper-Gold and Lithium assets:

- **Midas Project:** is prospective for iron oxide copper gold (IOCG) and is located 40km NE of Broken Hill.
- **Perseus Project:** is prospective for iron oxide copper gold (IOCG) and historically has been underexplored and is located ~50km west of Broken Hill.
- **Trident Project:** is prospective for iron oxide copper gold (IOCG) and lithium pegmatites and is located ~35km north-east of Broken Hill.

JORC Code, 2021 Edition – Table 1 Report

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria		Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• No new samples have been collected.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• No new drilling was undertaken.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No drilling was undertaken and no drill samples recovered.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Not applicable – no drilling has been done.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• Not applicable – no drilling has been done.

Criteria		Commentary
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Not applicable – no drilling has been done.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No verification of historical sampling reported have been done. • Sampling done over the past 3 years have been verified by the CP of this release.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Historical coordinates as reported by Haddington International Resources Ltd, Annual Report to the Department of Minerals and Petroleum Resources. Combined Tenement Group No. 47/2002. Dated 12 July 2002. • Grid system used is Australian Geodetic MGA Zone 50 - GDA94 • The locations of all samples were recorded using a Gamin handheld GPS and averaging for 90 seconds. Expected accuracy is ±6m for easting and northing. • The grid system is GDA94/MGA Zone 50. • Topographic control not relevant for surface samples.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Figure 1 shows the surface samples locations. • No Mineral Resources or Ore Reserves are being reported. • Sample composting has not been applied (as geochemical surface samples).

Criteria		Commentary
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Not applicable, it is early-stage geochemical sampling designed to assess whether there is any surface anomalism of interest for further exploration work. The possibility of bias in relation to orientation of geological structure is currently unknown.
Sample security	• *The measures taken to ensure sample security.*	• Not applicable – no new sampling has been sent to a lab under this release.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No specific external audits or reviews have been undertaken. • Sampling techniques and procedures are regularly reviewed internally, as is the data.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section apply to this sections)

Criteria		Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• There are no reserves, national parks or other known material impediments to exploration on the tenure.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Pancontinental – 1980's • Haddington Resources – 2002 to 2003 • MRC – 2019 to 2021
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Numerous pegmatites are found located within the southern portion of the Paynes Find greenstone belt, South Murchison. These pegmatites have not been previously assessed for their lithium potential but have been prospected for tantalum.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Not applicable – no drilling has been done.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and*	• Not data aggregation was undertaken.

Criteria		Commentary
	cut-off grades are usually Material and should be stated. • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• Not applicable – no drilling has been done.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Not applicable.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All information considered material to the reader's understanding has been reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All information considered material to the reader's understanding has been reported.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Drilling to test the identified pegmatite unit is currently being planned. Indicatively this might initially comprise o14 Reverse Circulation (RC) holes for a total of 500m of drilling.