

9 March 2023

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## New Cornerstone Investor Underpins Capital Raising

- **Northern Territory focused mining owners and operators Adroit Group to progress NT Minerals and the Redbank Project**
- **Placement of A\$0.5m to Adroit Group to initiate and support development of the Company**
- **Reforme Resources provides a convertible note commitment of A\$2.5m to assist funding further activities**
- **Following on capital raising anticipated to be offered to existing shareholders to raise up to \$1.1 million**
- **Experienced mining executive and Adroit Chief Executive Officer, Mal James, appointed Chairman of NT Minerals**
- **Appointment of Roy Jansan, a Larrakeyah elder, as a Non-Executive Director**
- **Potential legacy NSW rehabilitation liability clarification**

NT Minerals Limited (ASX: NTM) (**NT Minerals** or **Company**) is pleased to announce it has received firm commitment from Adroit Capital Group ESG Pty Ltd (**Adroit**) to raise approximately A\$0.50 million via a placement (**Placement**) of approximately 51.4 million fully paid ordinary shares at A\$0.01 per share (**Placement Shares**). The Company will utilise its existing capacity under ASX Listing Rule 7.1 (being 95,085,109 shares) to issue the Placement Shares.

NT Minerals has also entered into binding documentation with Reforme Resources Pty Ltd (**Reforme**) for the provision of a Convertible Note Facility of A\$2.5 million on the terms and conditions outlined in Appendix A of this announcement (**Convertible Note**) with drawdown at the election of the Company. The Convertible Note provides that any conversion of notes under the facility is conditional up, among other things, the Company having obtained all required approvals to enable it to do so under the ASX Listing Rules and *Corporations Act 2001* (Cth). The Company intends to seek upfront approval for the issuance of convertible notes under the facility and, where such approval is obtained, no further approvals shall be required for the conversion of those notes for the purposes of Listing Rule 7.1 (it should be noted, however, that other approvals may be required for the conversion of notes at the relevant time under both the ASX Listing Rules and *Corporations Act 2001* (Cth)). The Company intends to convene a general meeting as soon as practicable to obtain prior shareholder

approval for the issuance of notes under the facility, and shall not draw down on the facility, or issue any notes, until such time that approval has been obtained.

Funds from the Placement, together with any drawn down funds under the Convertible Note and funds raised from any further capital raising (detailed further below), will be utilised towards a detailed exploration program at the Company's flagship Redbank Project and for general working capital purposes.

### **About Adroit**

Adroit is a private mining group with substantial resource interests in the Northern Territory, including iron ore, gold, lithium, and garnets. As a Northern Territory centric group, Adroit seeks to put its resources, technical, human, equipment and financial, behind NT Minerals to help unlock the potential of NT Minerals significant land holdings in the Northern Territory.

Adroit currently holds two of the emerging projects in the Northern Territory, being the Francis Creek Iron Ore Beneficiation and Mining Project and the Moline Gold Project. The Francis Creek Iron Ore Beneficiation Project is currently finalising the refurbishment of the DMS plant with processing and beneficiation of low grade material (<38% Fe to >59% Fe) commencing in Q2C23. Work on the Moline Project is ongoing and gold will be produced both from alluvial resources and reprocessing of waste material. In addition Adroit is examining the potential to re-invigorate a garnet mine in the Northern Territory.

### **About Reforme**

Reforme is an innovative Australian mining services and infrastructure company with specialist expertise in the development of green and brown field mining projects and distinguished capability in end-to-end management of mine operations, processing, logistics and off-take negotiations.

Reforme, being 50% Indigenous owned, are highly regarded for their community-centric approach to project development and management, ensuring communities are in a better condition when we leave than they were when we arrived.

During FY20-21 Reforme invested more than A\$30 million into research and development ("R&D") projects. In particular, they are continuously developing new extraction techniques for different mineral processing requirements.

As a part of Reforme's diversification strategy, one of the most exciting projects, under development, is providing needed innovation to the production of strategic minerals for the renewable energy market. Through this project Reforme is leveraging its mining experience and expertise to create community value from transformational international decarbonisation strategies.

### **Potential NSW Legacy Environmental Liability**

The Company provides the following update to the potential legacy liability relating to the rehabilitation obligations of the McKinnon's gold mine located near Cobar NSW (**Legacy Rehabilitation**).

The current directors and management of the Company first became aware of Burdekin Pacific Limited's (now NT Minerals Limited) potential rehabilitation obligations (dating from January 2005) associated with the McKinnon's gold mine located near Cobar NSW when the Resources Regulator within the Department of Regional NSW notified the Company in writing in 2022 that it had failed to comply with a statutory notice to

rehabilitate the mine site which was originally issued by the former NSW Department of Primary Industries on 27 January 2005 under section 240 of the *Mining Act 1992* (**Rehabilitation Notice**). The Rehabilitation Notice directed the Company to rehabilitate the mine site and to carry out works in accordance with conditions of the mining lease and also the standards outlined in the decommissioning and rehabilitation plan dated September 1999 (**Rehabilitation Plan**).

Consistent with the Company announcement released on 25<sup>th</sup> October 2022, the Directors have since sought to fully understand the issues around the Legacy Rehabilitation and to more accurately determine what liability, if any, exists.

Preliminary discussions were held between the Department of Regional NSW and the Company regarding the Legacy Rehabilitation and the extent of the work which may be required together with the likely cost of rehabilitation of the mine site.

The Company subsequently engaged external consultants to assess the likely cost of carrying out the rehabilitation works in accordance with the Rehabilitation Plan.

In light of the Company's position at that time and in order to seek to obtain clarity with respect to the Legacy Rehabilitation, following further discussions with the Department of Regional NSW the Company made an initial offer to the Department of Regional NSW on 10 November 2022 to resolve the matter by the Company making a financial contribution of \$1.7 million towards the rehabilitation of the McKinnon's mine site. This was to be paid in quarterly instalments over a 2-year period following the raising of sufficient further funds by the Company. The offer was not an admission of the existence of a liability by the Company, however the directors formed the view for the offer based on good corporate governance and responsibility.

The quantum of the financial contribution proposed by the Company was based on the assessment of the external consultants and took into account the schedule of works documented between Burdekin Pacific Ltd and the NSW regulator in 2005 costed on a 2022 basis.

The Department of Regional NSW has not, to this date, provided any response to the Company in regards to the offer. The Company has now formally notified the Department of Regional NSW that the offer is now withdrawn.

The Department of Regional NSW had also not yet confirmed its proposed final requirements for the Company to undertake and complete works associated with the Legacy Rehabilitation (including with respect to the cost of any such works), however in light of the sequence of events since the directors became aware of the situation the Company will, in consultation with its auditors, seek to record a contingent liability of \$1.7 million in its financial accounts as at 31 December 2022.

Given the significantly improved financial position of the Company going forward, in comparison to the time of the Company's suspension request, NT Minerals believes it is a position to adequately address any potential Legacy Rehabilitation issue as it arises. Should any claims be brought against the Company in relation to the Legacy Rehabilitation, NT Minerals will assess its options in regards to disputing the legitimacy of the claims. The Company may draw on the Convertible Note facility should the requirement to make payments under a legitimate Rehabilitation Legacy claim arise.

## Use of Funding

The Company will utilise the funding available to it (including cash as at 31 December 2022, being \$203,000) under the Placement to further the activities within its 100% owned Redbank Project. This will be broadly as follows:

Use of proceeds	\$ Raised
Costs of capital raising (estimated)	\$80,000
Soil Sampling	\$500,000
Drilling, surveys and associated exploration costs	\$1,940,000
General working capital	\$683,000
<b>Total</b>	<b>\$3,203,000</b>

It is also anticipated that the Placement will be followed by a further capital raising currently anticipated to take the form of an Entitlement Offer at the same price as the Placement, to raise approximately \$1.1 million. Funds raised from any follow-on capital raising will also be used to further the Company's exploration activities and for general working capital purposes.

The Company will release a further announcement setting out the details of any follow-on capital raising in the coming days.

## NT Minerals Board Changes

Coupled with the capital raising, Tony Kiernan has retired from the board of NT Minerals as Chairman with Mal James being appointed.

Mal James is a senior mining management and corporate executive with operational experience spanning both public and private companies. Mal is currently Chief Executive Office of Adroit Capital Group.

In addition, the Company has invited Roy Jansan to join NT Minerals as a Non-Executive Director. Raised in Darwin, Roy is a local Indigenous Rak Mak Mak Marranunggu man and is the formal elder of his people.

Roy Jansan is the Founder and Managing Director of HSSNT Pty Ltd and Indigenous Cement Australia (formed in 1998) - his businesses specialising in the construction of mines, concrete manufacturing, remote construction projects and civil construction. Roy has served in several key Chairman roles including for Twin Hills Aboriginal Corporation, White Eagle Aboriginal Corporation and as Deputy Chairman for Northern Territory Indigenous Business.

Hugh Thomas is also stepping down as the Managing Director, with effect from at 31 March 2023, and at such point will transition to being a Non-Executive Director. The new Board intends to undertake a strategic review and executive search for a replacement which it hopes to complete prior to Hugh's retirement as Managing Director.

## Management Commentary

### NT Minerals Limited Managing Director Hugh Thomas commented:

*"We welcome the skills, expertise and capacity of the Adroit Group to the share register as well as the funding commitment from Reforme to NT Minerals. We believe the combination of these elements will provide a stable*

*funding platform as we plan for an exciting 2023, and we look forward to updating all shareholders shortly about progress with the Redbank Project.”*

**NT Minerals Limited Chairman Mal James commented:**

*“I am delighted to become a part of the NT Minerals story as we look to provide the capacity and the capability to fully unlock the potential of the Company’s Redbank Project. My thanks to Tony Kiernan for his excellent leadership and stewardship through a challenging period for the Company and the service of Hugh Thomas during his tenure as managing Director.”*

The Company confirms it is in compliance with ASX Listing Rules, in particular Listing Rule 3.1.

This announcement was approved and authorised for issue by the Board of NT Minerals.

**Status of voluntary suspension**

The Company’s shares have been voluntarily suspended from trading since 21 October 2022. As previously announced by the Company, the voluntary suspension was requested by the Company to remain in place until such time that the Company was able to provide clarity to shareholders and stakeholders regarding the Legacy Rehabilitation matter, which has now been provided by way of this announcement.

The Company anticipates that the current suspension shall be lifted following completion of the capital raising, anticipated to occur on or around 11 April 2023.

**Redbank Project Summary**

The Redbank Project is located in the southeast McArthur Basin and extends from the Northern Territory/Queensland border north-west to Glencore’s McArthur Mine. In July 2020, NT Minerals secured a district scale tenement holding, pegging open ground following ground-breaking work by Geoscience Australia. This work highlighted the prospectivity for Tier 1 base metal deposits between the world-class deposits of McArthur River and Century. NT Minerals Limited through its 100% subsidiary Redbank Operations Pty Ltd holds the tenements with a 100% interest.

**-ENDS-**

**For further information please contact:**

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## Appendix A – Key Terms of the Binding Convertible Note Deed

Principal	A\$2,500,000
Maturity Date	36 Months after the first drawing
Conversion Price	The higher of the 30 day NT Minerals VWAP prior to the Conversion or A\$0.01 per Security
Purpose	To be applied in accordance the NT Minerals Approved Program and Budget
Conditions Precedent to Draw	Customary for a financing of this nature
Interest	Each Convertible Note accrues interest at a rate of 7.5% per annum
Share rank on conversion	Rank Pari passu with the existing Ordinary Shares
Security	The Company's obligations under the Secured Convertible Note Deed are to be secured over the Company and all of the Company's property under a General Security Agreement with Reforme
Voting Rights	No right to vote at a general meeting of Shareholders
Dividends	No right to dividends
Conversion	In accordance with the Binding Convertible Note Deed, Reforme may at any time 12 months after the first drawing and before the Maturity Date give notice to the Company that it wishes to convert some or all of the Convertible Notes into Subscription Shares, subject to shareholder approval
Redemption	If any or all of the Convertible Notes remain outstanding at the Maturity Date, the Company must redeem the Convertible Notes

## Disclaimer

This announcement contains certain forward-looking statements. Forward looking statements include but are not limited to statements concerning NT Minerals Limited's ('NTM's) planned exploration program and other statements that are not historical facts including forecasts, production levels and rates, costs, prices, future performance or potential growth of NTM, industry growth or other trend projections. When used in this announcement, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward-looking statements. Such statements are not a guarantee of future performance and involve unknown risks and uncertainties, as well as other factors which are beyond the control of NTM. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors. Nothing in this announcement should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.