

Central Processing Pathway Study Stage 1 Results Provide Positive Outcome for New England Fold Belt Hub and Spoke

HIGHLIGHTS

- ❖ Core Resources has delivered its Central Processing Pathway Study Stage 1 results
- ❖ Indicative cashflows from techno-economic evaluation estimate (before capital expenditure and capital costs) provide a **good positive cashflow** over the 8-year project life **using a silver price of A\$28/oz** and **only Webbs, Conrad, Strauss and Kylo deposits**
- ❖ High level processing concept and design produced which provides pathway forward for developing the New England Fold Belt Hub and Spoke Strategy
- ❖ Further testwork recommended before proceeding to a formal concept study

Thomson Resources (ASX: TMZ) (OTCQB: TMZRF) (Thomson or the Company) advises that it has received the Central Processing Pathway Study Stage 1 Report (**Report**) prepared by Core Resources Pty Ltd (**Core**).

Summary

A number of different flowsheet and central processing options were considered for the various projects comprising the Thomson New England Fold Belt Hub and Spoke Strategy (**NEFBHS**).

A central processing option was settled on with satellite sites at the Mt Carrington project and the Webbs Silver project that feed into a Central Processing Facility at a new site near Tenterfield, NSW. The selection of a site near Tenterfield was primarily based on its proximity to the Mt Carrington project, which will have the largest resources available to a central processing facility.

The Mt Carrington site and Webbs Silver sites would both have a crushing/grinding and flotation circuit to produce rougher concentrates to be sent to the Tenterfield site for further processing. It may also be viable to transport Silver Spur ore to the Webbs concentrator for processing. Conrad ore is envisioned to be processed at the mine site using the relocated Webbs concentrator.

The central processing facility near Tenterfield includes an Albion Process™ plant as well as an intensive cyanidation circuit and Merrill Crowe plant for the production of gold/silver dore. The Albion Process™ plant allows for the production of higher value products from the Webbs Silver resource and also provides a method to generate value for the zinc contained within the Mt Carrington resources if high-grade zinc concentrates cannot be produced. It may also be used for the processing of Conrad ore. A block flow diagram for the proposed hydrometallurgical plant as shown in Annexure 1.

An indicative production schedule was prepared based on a 1 Mtpa Mt Carrington treatment rate and 750 ktpa Webbs treatment rate (followed by 750 ktpa Conrad treatment rate). The nominal project life was close to 8 years. The indicative production schedule is set out in Annexure 5. Net revenue figures (using current metal prices) considering the cost of transport as well as metal payables were calculated for assumed products. An annual cash flow considering typical mining and plant operating

costs for similar types of production plants was then prepared to provide an indication of funds available to pay back capital and generate project profits (see Annexure 6). This analysis showed positive cash flows. However, further engineering is required to establish the actual operating and capital costs for the project which will be completed in a formal concept study following further testwork.

Executive Chairman David Williams commented:

“Core Resources have produced a very thorough and well worked Stage 1 Central Processing Pathway Study. We now have a clear pathway forward as to what the New England Fold Belt Hub and Spoke Strategy (“NEFBHS”) will look like.

“The very pleasing aspect of the Study is that even with using today’s current low metal prices and without expanding the resources or fine tuning the processes, the early stage indicative numbers are positive for proceeding forward with the Strategy. Whilst I appreciate that they are only indicative numbers, to see that even at today’s prices and using only 4 of the deposits, the indicative cashflows from techno-economic evaluation estimate (before capital expenditure and capital costs) show a positive cashflow over the 8-year project life of A\$334M (using a silver price of A\$28/oz), with A\$206M accumulating in the first 3 years.

“It is true that the Study was less than positive about the Texas project remaining part of this strategy, and the Company is now giving serious consideration to what happens with Texas.

“As we add more resources through further extensional/expansional resource drilling activities and as the metal prices, particularly silver, increase, this NEFBHS project will just get stronger.

“Core have provided a clear pathway of work for Thomson to undertake so that we can move to completing a formal concept study. We look forward to reporting progress on this work as it is implemented and completed.”

Background

The key projects underpinning the NEFBHS concept were strategically and aggressively acquired by Thomson in only a 4-month period from November 2020. This includes the Conrad, Webbs and Texas District silver/gold/zinc/lead/copper (tin) projects.

Thomson has reported Mineral Resource Estimates (**MRE’s**) to JORC 2012 for the 100% owned Webbs⁵, Conrad³, Silver Spur⁶, Twin Hills⁶ and Mt.Gunyan⁶ deposits and restated the Strauss-Kylo MREs (Thomson earning up to 70% interest)¹ that contain a combined total of **22.8 Mt at 119 g/t AgEq*** for a total resource base of **87.1 Moz of AgEq*** (see Table 1 and footnotes below and discussion in Thomson’s NEFBHS section of ASX Release dated 22 June 2022).

**Note: The Strauss and Kylo MRE uses a 0.35 g/t AuEq cut-off within optimised pit shells. The Strauss and Kylo AgEq and AuEq Formula uses the following metallurgical recoveries: Au 75%, Ag 41%, Cu 28%, and Zn 70%. The AgEq formula = $\text{Ag g/t} + 120.3 * \text{Au (g/t)} + 76.6 * \text{Cu (\%)} + 69.9 * \text{Zn (\%)}$ based on metal prices and metal recoveries. The AuEq formula = $\text{Au g/t} + 0.0083 * \text{Ag (g/t)} + 0.636 * \text{Cu (\%)} + 0.581 * \text{Zn (\%)}$ based on metal prices and metal recoveries. The AgEq and AuEq. formulas use metal prices of Au price \$2,500/oz, Ag price A\$38/oz, Zn price A\$5,000/t, Cu price A\$13,699/t. Silver equivalent (AgEq) grades and ounces are shown for consistency with the Tablelands projects Hub and Spoke resource base. In the Company’s opinion, the metals included in the metal equivalent calculation have a reasonable potential to be recovered and sold. Totals may not add up due to rounding. Resources are shown based on a 100% equity basis. Under the terms of the updated WRM-TMZ JV Agreement (ASX: TMZ 23 May 2023) Thomson can earn up to a maximum of 70% equity in the Mt Carrington Project.*

Table 1. Summary of Mineral Resource Estimates for Mt Carrington Strauss – Kilo and Tablelands Projects

New England Fold Belt Hub and Spoke Summary	Res.Cat.	Cut off	Grade								Contained Metal						
			Tonnes (Mt)	AgEq (g/t)	Ag (g/t)	Au (g/t)	Zn (%)	Pb (%)	Cu (%)	Sn (%)	AgEq (Moz)	Ag (Moz)	Au (koz)	Zn (kt)	Pb (kt)	Cu (kt)	Sn (kt)
MTC Strauss+Kilo (100% Basis)	Indicated and Inferred	0.35 g/t AuEq	6.0	169	1.6	1.17	0.33	-	0.06	-	32.7	0.3	225	19.8	-	3.5	-
Webbs ⁺		30 g/t Ag	2.2	205	140	-	1.10	0.55	0.15	-	14.2	9.7	-	23.9	11.9	3.3	-
Conrad [^]		see notes	3.3	193	86	-	0.62	1.22	0.11	0.17	20.7	9.2	-	20.7	40.7	3.7	5.7
Silver Spur [*]		25 g/t AgEq	0.7	156	54	0.06	2.03	0.69	0.09	-	3.3	1.2	<1	13.5	4.6	0.6	-
Subtotal			12.2	181	52	-	0.64	0.47	0.09	-	70.9	20.4	225	77.9	57.2	11.1	5.7
Twin Hills [*]	Indicated and Inferred	25 g/t AgEq	6.1	52	48	0.06	-	-	-	-	10.3	9.5	11	-	-	-	-
Mt Gunyan [*]		25 g/t AgEq	4.5	41	38	0.04	0.11	0.13	-	-	5.9	5.5	5	5.0	5.9	-	-
Subtotal			10.6	48	44	0.05	-	-	-	-	16.2	15.0	16	5.0	5.9	-	-
New England Fold Belt Hub and Spoke JORC 2012 Total			22.8	119	48	-	-	-	-	-	87.1	35.4	241	82.9	63.1	11.1	5.7
<p>The Strauss and Kilo MRE uses a 0.35 g/t AuEq cut-off within optimised pit shells. The Strauss and Kilo AgEq and AuEq Formula uses the following metallurgical recoveries: Au 75% Ag 41%, Cu 28%, and Zn 70%. The AgEq formula = $Ag\ g/t + 120.3 * Au\ (g/t) + 76.6 * Cu\ (%) + 69.9 * Zn\ (%)$ based on metal prices and metal recoveries. The AuEq formula = $Au\ g/t + 0.0083 * Ag\ (g/t) + 0.636 * Cu\ (%) + 0.581 * Zn\ (%)$ based on metal prices and metal recoveries. The AgEq and AuEq formula uses metal prices of Au price \$2,500/oz, Ag price \$538/oz, Zn price \$55,000/t, Cu price \$513,699/t. Totals are shown based on a 100% equity basis. Under the terms of the updated WRM-TMZ JV Agreement (ASX: TMZ 23 May 2023) Thomson can earn up to a maximum of 70% equity in the Mt Carrington Project.</p> <p>The Webbs MRE uses a 30 g/t Ag cut-off and reported to 225 m below surface. The Webbs AgEq Formula uses the following processing recoveries: Ag 87%, Cu 85%, Pb 70% and Zn 89%. The Webbs AgEq formula = $Ag\ g/t + 108.5 * Cu\ (%) + 19.7 * Pb\ (%) + 34.1 * Zn\ (%)$ based on metal prices and metal recoveries into concentrate. For all deposits the metal price assumptions used, where applicable, in the AgEq formula at an exchange rate of US\$0.73 were: Ag price \$538/oz, Au price \$2,534/oz, Zn price \$54,110/t, Pb price \$53,014/t, Cu price \$513,699/t, Sn price \$541,096. * TMZ:ASX Release 9th June 2022</p> <p>Twin Hills, Mt Gunyan and Silver Spur MREs are reported at 25 g/t Ag equivalent (AgEq) cut-off and reported above 100m below pit or 150m below surface for Twin Hills, 150m below surface for Mt Gunyan and 200m below surface for Silver Spur. The AgEq formula used the following metallurgical recoveries: Twin Hills Ag 78%, Au 77%; Mt Gunyan oxide Ag 89%, Au 78%, Zn 12%; Mt Gunyan sulphide Ag 78%, Au 77%, Zn 16%; Silver Spur Oxide Ag 91%, Zn 20%; Silver Spur Sulphide Ag 89%, Zn 93%, Pb 64%. AgEq was calculated using the following formulas: Twin Hills (AgEq) = $Ag\ ppm + 65.22 * Au\ g/t$, Mt Gunyan Oxide AgEq = $Ag\ (g/t) + 57.91 * Au\ (g/t) + 4.49 * Zn\ (%)$, Mt Gunyan Sulphide AgEq = $Ag\ (g/t) + 65.22 * Au\ (g/t) + 6.84 * Zn\ (%)$, Silver Spur Oxide AgEq = $Ag\ (g/t) + 7.3 * Zn\ (%)$, Silver Spur Sulphide AgEq = $Ag\ (g/t) + 44.92 * Zn\ (%) + 22.67 * Pb\ (%)$ based on metal prices and metal recoveries into concentrate. * TMZ: ASX Release 1st of March 2022</p> <p>Conrad MRE uses a 40 g/t AgEq cut-off within an optimised pit (2.0 revenue factor) for the portion of the deposit likely mined by open pit and is constrained to domains within the underground portion of the deposit (no AgEq cut-off applied to that portion). The AgEq formula used the following recovery and processing assumptions: recoveries of 90% for Ag, Pb, Zn, Cu and 70% for Sn. AgEq was calculated using the formula $AgEq = Ag\ g/t + 33.3 * Zn\ (%) + 24.4 * Pb\ (%) + 111.1 * Cu\ (%) + 259.2 * Sn\ (%)$ based on metal prices and metal recoveries into concentrate. * TMZ:ASX Release 11th August 2021.</p> <p>Silver equivalent (AgEq) grades and ounces are shown in this table for consistency with the larger tablelands projects Hub and Spoke resource base.</p> <p>In the Company's opinion, the metals included in each metal equivalent calculation have a reasonable potential to be recovered and sold. Totals may not add up due to rounding.</p>																	

Analysis by Thomson's metallurgical consultants, Core, of the Texas District Projects metallurgy², in conjunction with metallurgical test work by previous owners of the Conrad³ and Webbs deposits⁴, suggested metallurgical compatibility between the various deposits of the NEFBHS. Initial metallurgical test work commissioned by White Rock suggest that the Mt Carrington Polymetallic mineralisation may also be metallurgically compatible with the NEFBHS projects.

Thomson's 100% owned NEFBHS projects and the Mt Carrington Earn-in and JV project are all located within a potential trucking radius for a centralised processing facility. The Mt Carrington Polymetallic project has the potential to make a significant contribution to Thomson's target of an aggregate +100 Moz silver equivalent resource base available to a centralised processing facility and to potentially underpin the development of that central processing facility, which would be designed to treat silver-gold and polymetallic ores.

The combination of Thomson's MRE's with positive metallurgical test work for the Texas District, Conrad and Webbs deposits has allowed Thomson to undertake a process pathway study for the NEFBHS project that incorporates the Mt Carrington Polymetallic project into this study leveraging existing White Rock drilling and initial metallurgical test work.

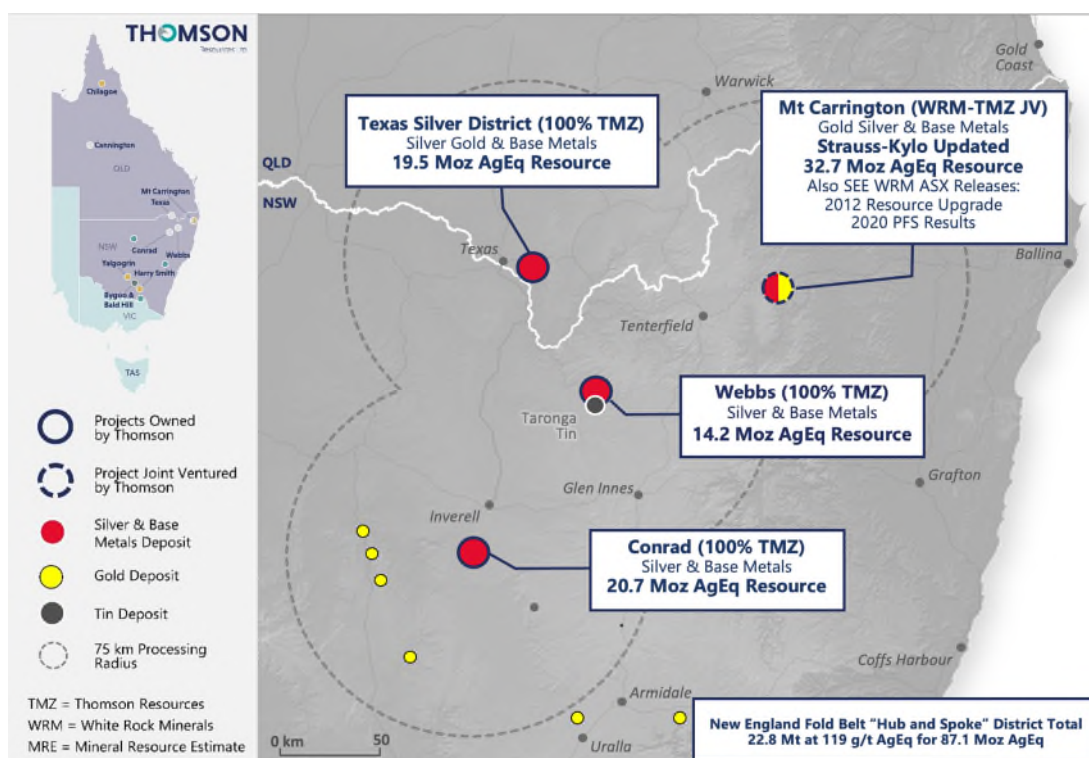


Figure 1: Thomson Resources New England Fold Belt Hub and Spoke Strategy Projects

Purpose of Study

Thomson requested Core to undertake a high-level study that considered metallurgical testwork results (recent and historic) and the resource characteristics to establish viable processing solutions for the mix of deposits and to develop flowsheet concepts for a centralised processing facility. The purpose of the study was to establish technically viable processing options and, at a conceptual level, their financial viability.

Whilst the Thomson 100% deposits are predominantly silver based, they do have some base metal content. In the case of the Mt Carrington project area there are gold-dominant deposits as well as silver-dominant deposits, with and without base metals.

Testwork has shown a range of processing options are possible for the different deposits ranging from flotation only, flotation and hydrometallurgical processing and hydrometallurgical processing only (see Annexure 2).

The first stage of the Study was aimed toward identifying potential processing options with a high-level techno-economic review completed to compare the options. The second stage, which is yet to commence, will be aimed towards improving the accuracy of the operating cost and generating capital costs for the more favourable options. The Report covers the findings from the first stage of work.

Information Used in Study

An exchange rate for USD to AUD of 0.66 was used.

The following metal prices were used, being prices as at reasonably proximate to the date of the Report:

- Gold: USD 1,650/oz = AUD 2,500/oz;

- Silver: USD 18.48/oz = AUD 28.00/oz
- Copper: USD 6,921/t = AUD 10,486/t;
- Zinc: USD 3,328/t = AUD 5,043/t; and
- Lead: USD 1,886/t = AUD 2,857/t.

Thomson published MREs for each of Webbs, Conrad, Mt Gunyan, Twin Hills, Silver Spur, Strauss and Kylo were used as assumed resources for the purposes of the study. For the other Mt Carrington deposits, MREs previously published by White Rock Minerals (ASX: WRM), have only been estimated to JORC 2004 and whilst they have been considered in the Study they were not included in the Study metrics. Details of the published MREs used can be found in Annexure 4 as well as for other information used in the Study and the assumptions behind the indicative production schedule (Annexure 5) and indicative cash flow (Annexures 6 and 7).

Techno Economic Review

The key considerations for the recommended processing pathway, the subject of the review, were:

- Minimal processing to be completed on site at Mt Carrington.
- New greenfield central processing site location near Tenterfield.
- Inclusion of a zinc Albion Process™ plant for recovery of zinc from Webbs Silver ore while also providing a means to get value for zinc from Strauss and White Rock resources if they cannot produce an on-specification zinc concentrate.

A nominal production rate of 750 ktpa for Webbs and Conrad and 1 Mtpa for Mt Carrington has been assigned to each deposit and based on available testwork results indicative concentrate grades and metal recoveries have been determined. For Mt Carrington resources that contain zinc, the production of a zinc concentrate as well as a precious metal dore product has been compared against the production of a dore product only (i.e. no zinc product). For Webbs Silver the production of a silver concentrate for sale has been compared to two hydrometallurgical options. Both hydrometallurgical options produce a zinc hydroxide and copper precipitate product. The first option also produces a leach residue to be sold as a silver concentrate. The second option produces a silver dore product. In both cases a stabilised arsenic product for disposal is produced.

Processing Description

Based on a net revenue analysis and the analysis of the initial techno-economic analysis options, a revised processing option has been selected as follows.

Mt Carrington Site

The Mt Carrington area would have a crushing and grinding circuit to feed a sequential rougher flotation plant. Depending on the Mt Carrington resource being processed, the flotation circuit would produce a zinc rougher concentrate and precious metal concentrate or just a precious metal concentrate. Tailings would be disposed of on site and concentrate filter cake would be trucked to a new Tenterfield processing site.

Webbs Silver Site

The Webbs Silver ore would be processed at the mine site to make a rougher concentrate that would be trucked to the Tenterfield site for further cleaning and processing. The Webbs site would have a crushing plant, mill, rougher circuit, tailings thickener and concentrate thickener

and filter. A single stage cleaning circuit may also be added to the circuit to avoid the requirement for flotation of this concentrate at Mt Carrington. Tailings disposal would be required.

Conrad Site

The Conrad ore would also be processed at the mine site through ore sorting or rougher flotation concentration. Ideally the Conrad resource would be developed after Webbs, and the Webbs flotation plant could be relocated to Conrad.

Tenterfield Processing Site

The main central processing plant located near Tenterfield would include a flotation circuit, hydrometallurgical circuit and tailings storage. The block flow diagram for the proposed hydrometallurgical plant is shown in Annexure 1. Details of each of the circuits is set out in Annexure 3.

Processing Sequence

The ideal processing sequence is as follows:

- Strauss, Kylo and, once it can be included, Guy Bell would commence operations at Mt Carrington. Production of gold dore with zinc products. At 1 Mtpa processing rate this will translate to approximately 6 years plant life.
- As Strauss, Kylo and Guy Bell are exhausted White Rock, once it can be included, would come online. Maintaining the same production rate would likely add further years of production life producing a zinc product and silver dore. If the Lady Hampden metal recovery figure can be improved, once it can be included, this deposit could also come on line with or before White Rock.
- Webbs Silver commences operation at the same time as Strauss. Due to the size of the deposit a concentrator with production rate of 750 ktpa would likely be necessary to lower the capital cost and to provide an opportunity for it to be relocatable (to Conrad). This would have a production life of 3 years.
- Conrad would come online after Webbs using the Webbs concentrator following relocation or, if ore sorting made feed transportation viable then Conrad could be trucked to the Webbs concentrator.

The benefit of bringing Webbs online early means that if the zinc concentrate from Strauss could not reach saleable grade, it could be processed in the Albion Process™ with the Webbs concentrate to generate the additional zinc revenue. A lower grade zinc concentrate from Kylo could also be processed in the Albion Process™ plant. The disadvantage of bringing Webbs online early is a higher upfront capital cost prior to any production taking place.

In the event Webbs could not be developed at the same time as the Mt Carrington resource, Kylo and potentially Strauss may revert to the production of a single concentrate only for cyanide leaching with the production of a gold/silver dore product i.e. in the event Strauss cannot produce a saleable zinc concentrate.

A conceptual production profile is shown in Annexure 5. For ease it has been based on sequential processing of the Mt Carrington deposits whereas, in reality, Kylo and Strauss would be mined together. At this stage neither Guy Bell nor White Rock nor Lady Hampden have been included. This

will be considered once Thomson has completed its own updated MREs to JORC 2012 for these deposits.

Capital and Operating Cost Considerations

At this stage of the study, insufficient engineering design has been completed to establish first pass estimates of operating costs and capital costs. To provide an indication of cash flows, operating costs for similar size operating plants were used in the techno-economic analysis. Further testwork is also required to validate some recovery and grade data for the different resources.

Indicative Cash Flow

The indicative cash flow based on only using Webbs, Conrad, Strauss and Kylo deposits and with the silver price at A\$28/oz (US\$18.48/oz) is set out in Annexure 6 and produces a total aggregate positive cash flow over the 8 years of A\$334M with A\$206M accumulating in the first 3 years.

In the scenario where the silver price is A\$34/oz (US\$22.44/oz), but with the other metal prices remaining as in the first scenario, the total aggregate positive cash flow over the 11 years would be A\$425M with A\$255M accumulating in the first 3 years (see Annexure 7 for details).

Further testwork is required to validate assumptions regarding the concentrate grades and recoveries behind these figures. Engineering work is required to establish actual operating and capital costs for the processing plant proposed rather than the current basis of 'typical' values.

Texas Project

The Texas Project deposits were not included in this processing pathway given concerns with their commercial viability at current metal prices.

Core Recommendations for Next Phases of Work

The current study has established a technically viable treatment strategy for the various resources held by Thomson. At current metal prices, the study has shown the operating margins will be tight and capital costs will need to be minimised in order to make the project commercially viable. As demonstrated, clearly that position changes as metal prices increase. Given where metal prices are at the moment Core has recommended further work in both the engineering and testwork fields.

Testwork

Additional testwork is recommended as a priority over further engineering as this will provide necessary data on which to base further engineering. The testwork needs to validate some flowsheet concepts and grade and recovery information but the work also needs to demonstrate how operating costs can be minimised. Examples of this relate to mill grind size and reagent consumption.

Due to the number of resources planned to be developed, with each displaying different processing characteristics, a significant amount of testwork may ultimately be required. At this point it is important to prioritise testwork towards the more prospective deposits that will likely be processed in the earlier years as well as sighter testwork on deposits such as White Rock, Conrad and Lady Hampden to provide improved inputs to engineering study work.

Details of the recommended testwork is set out in Annexure 8.

Engineering

A more formal concept study is recommended for the project that covers geology, mining, environment, processing, tailings management, infrastructure and licensing and approvals.

All these areas have significant inputs into the ultimate arrangement of the central processing facility.

Limited engineering work is recommended until further testwork has at least been completed on the Mt Carrington resources and possibly the Webbs Silver resource.

Details of the recommended engineering work are set out in Annexure 8.

This announcement was approved for issue by the Board.

Thomson Resources Ltd

David Williams

Executive Chairman

References:

- ¹ Thomson Resources Ltd ASX:TMZ ASX Release 22 June 2022, Updated polymetallic mineral resource estimate for Mt.Carrington Strauss and Kylo deposits increases resources available for central processing.
- ² Thomson Resources Ltd ASX:TMZ Release 8 February 2022, Initial metallurgical test work for Texas District silver-base metal deposits provide encouraging results.
- ³ Thomson Resources Ltd ASX:TMZ Release 11 August, Thomson announces 20.7 Moz silver equivalent indicated and inferred mineral resource estimate for Conrad.
- ⁴ Thomson Resources Ltd ASX:TMZ Release 6 April 2022, Outstanding silver and base metal intersections and positive metallurgy from Webbs Silver Project.
- ⁵ Thomson Resources Ltd ASX:TMZ Release 9 June 2022, Thomson Delivers 14 Moz AgEq Indicated and Inferred Mineral Resource Estimate for Webbs Deposit
- ⁶ Thomson Resources Ltd ASX:TMZ Release 1 March 2022, 19.5 Moz silver equivalent indicated and inferred mineral resource estimate for the Texas Silver District

Competent Person

The information in this report which relates to Metallurgical Results is based on information compiled by Mr David Cavanagh of CORE Group. Mr Cavanagh and CORE Group are consultants to Thomson Resources Ltd and have sufficient experience in metallurgical processing of the type of deposits under consideration and to the activity 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 Cavanagh is a Member of the Australian Institute of Mining & Metallurgy (AusIMM No. 112318), and consents to the inclusion in this report of the matters based on that information in the form and context in which it appears.

No New Information or data: This announcement contains references to exploration results, Mineral Resource estimates, Ore Reserve estimates, production targets and forecast financial information derived from the production targets, all of which have been cross-referenced to previous market announcements by the relevant Companies.

Thomson confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements. In the case of Mineral Resource estimates, Ore Reserve estimates, production targets and forecast financial information derived from the production targets, all material assumptions and technical parameters underpinning the estimates, production targets and forecast financial information derived from the production targets contained in the relevant market announcement continue to apply and have not materially changed in the knowledge of Thomson.

This document contains exploration results and historic exploration results as originally reported in fuller context in Thomson Resources Limited ASX Announcements – as published on the Company's website. Thomson confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements. In the case of Mineral Resource estimates, Ore Reserve estimates, production targets and forecast financial information derived from the production targets, all material assumptions and technical parameters underpinning the estimates, production targets and forecast financial information derived from the production targets contained in the relevant market announcement continue to apply and have not materially changed in the knowledge of Thomson.

Disclaimer regarding forward looking information: This announcement contains "forward-looking statements". All statements other than those of historical facts included in this announcement are forward looking statements. Where a company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks.

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.

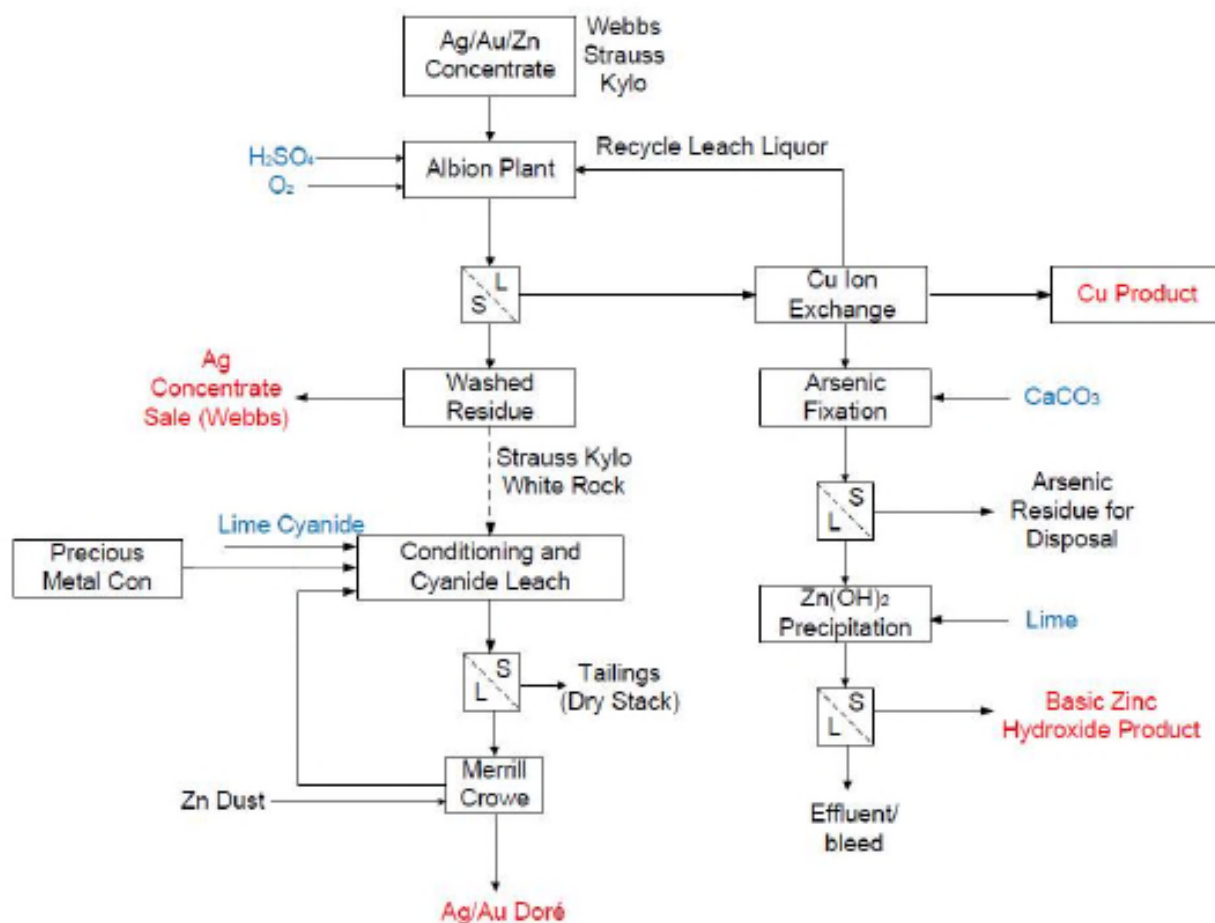
The key projects underpinning this strategy have been strategically and aggressively acquired by Thomson in only a four-month period. These projects include the Webbs and Conrad Silver Projects, Texas Silver Project and Silver Spur Silver Project, as well as the Mt Carrington Gold-Silver base metal Earn-in 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.



Annexure 1 – block flow diagram for the proposed hydrometallurgical plant



Annexure 2 – Resource Processing Options

Resource	Processing Options	Products
Twin Hills	Heap leach with Merrill Crowe silver recovery	Silver dore
	Tank leach – one or two stage – with Merrill Crowe silver recovery	Silver dore
	Flotation – poor recovery response and not pursued	NA
Mt Gunyan	Heap leach with Merrill Crowe silver recovery	Silver dore
	Tank leach – one or two stage – with Merrill Crowe silver recovery	Silver dore
	Flotation – poor recovery response and not pursued	NA
Silver Spur	Flotation to produce saleable zinc concentrate	Zn concentrate
Webbs Silver	Flotation to produce saleable concentrate following blending with other Zinc concentrates	Zn/Ag concentrate
	Flotation to produce a Ag/Zn concentrate. Albion plant oxidation of concentrate followed by cyanide leach and silver recovery in Merrill Crowe or Electrolysis.	Silver dore. Possible SART ZnS product
	Flotation to produce a Ag/Zn concentrate. Albion plant oxidation of concentrate followed by zinc and copper recovery with residue forming a high grade silver concentrate.	High grade silver con with zinc product.
Conrad	Flotation to produce saleable concentrate following blending other zinc concentrates	Ag/Zn concentrate
	Flotation to produce a Ag/Zn concentrate. Albion plant oxidation of concentrate followed by cyanide leach and silver recovery in Merrill Crowe or Electrolysis.	Silver dore. Possible SART ZnS product
	Flotation to produce a Ag/Zn concentrate. Albion plant oxidation of concentrate followed by zinc and copper recovery with residue forming a high grade silver concentrate or a feedstock for cyanide leaching.	High grade silver con and zinc product.
Strauss	Whole ore tank leach for recovery of gold with potential for some zinc recovery with SART type process.	Gold dore Possible SART ZnS product.
	Flotation and leach of concentrate for recovery of gold and some possible zinc recovery.	Gold dore Possible SART ZnS product
	Differential flotation with production of zinc concentrate for sale and precious metal concentrate for cyanide leach	Zinc concentrate Gold dore
Kylo	Options as per Strauss	Gold dore
White Rock*	Flotation to produce saleable zinc/silver concentrate	Zinc concentrate with silver
	Flotation to produce saleable zinc/silver concentrate and cyanidation of a portion of tailings for additional silver recovery	Zn/Ag concentrate Silver dore
	Whole ore leach for recovery of silver – potential for some Zn recovery with SART type process incorporated	Silver dore Possible SART ZnS product
Guy Bell*	Whole ore leach for recovery of gold and silver	Gold/silver dore
	Flotation followed by leach for recovery of gold and silver. Single stage or double stage leach.	Gold/silver dore
Lady Hampden*	Whole ore leach for recovery of gold and silver	Gold/silver dore
	Flotation followed by leach for recovery of gold and silver. Single stage or double stage leach.	Gold/silver dore
	Flotation, followed by Albion Alkaline oxidation followed by cyanide leach.	Gold/silver dore

Note: * these deposits were not included for the purposes of the Tables in Annexures 5 and 6

Annexure 3 – Tenterfield Processing Site Circuit Descriptions**Flotation**

The flotation circuit would include a regrind mill and cleaner circuit for zinc rougher concentrates. Zinc concentrate would be filtered to produce a final zinc concentrate product. During Webbs processing the concentrate would be a high silver/mid-level zinc grade product that would be treated in the Albion Process™ plant. Tailings would be disposed of on site. Flotation tailings and leach tailings would be stored separately to the stabilised arsenic product.

Hydrometallurgical Circuit – Albion Process™

The hydrometallurgical circuit includes an Albion Process™ plant to enable a zinc and copper product to be produced from the Webbs Silver ore. It can also be used to treat zinc concentrates from Strauss, Kylo and White Rock in the event the zinc concentrates they generate are below the 45% saleable grade limit. The Albion Process™ circuit typically includes an IsaMill™ and train of 5-6 Oxidative Leach Reactors™ prior to solids dewatering and iron removal from PLS solution.

For the Albion Process™ plant, feed concentrate would be reslurried and report to the IsaMill™ for regrinding. The slurry would then be transferred to an acidic oxidative leach to achieve a high extraction of zinc and copper (and arsenic) through the leaching stage. Sulphuric acid would be added to maintain the required exit acid content and oxygen would be injected into the reactors with Hypersparge™ supersonic gas injectors.

The Albion Process™ discharge slurry would be dewatered and filtered and in the case of Webbs ore treatment, the residue would be sold as a high silver bearing concentrate. In the case that zinc concentrate from Strauss or White Rock is being processed in the Albion Process™, the residue would be reconditioned in a lime boil (reslurried in a high pH slurry) prior to joining other precious metal concentrates for cyanide leaching.

The pregnant leach solution (**PLS**) from the Albion Process™ circuit would have copper removed in an Ion Exchange unit. The strip liquor from the Ion Exchange unit would produce CuSO₄ for use in the flotation circuit and excess liquor would be precipitated as a high-grade sulphide concentrate. The PLS would recycle back to the Albion Process™ to build the zinc tenor in solution. A bleed stream would then pass to an arsenic fixation circuit which would convert soluble arsenic into ferric arsenate (crystallised scorodite) in an autoclave. Scorodite is meta-stable under most conditions and stabilising arsenic as scorodite is a commercially proven method of managing arsenic. Scorodite would be filtered and disposed of on site in a lined dam.

The Albion Process™ PLS bleed stream would have zinc recovered through precipitation as a zinc oxide or hydroxide product with 40-50% zinc content.

Hydrometallurgical Circuit – Cyanide Leach

The concentrates from the Mt Carrington ores would be reslurried and conditioned under high pH conditions prior to intensive cyanidation leaching. The leach discharge slurry would be thickened and dewatered with washed filter cake disposed of on site. The PLS would have Ag and Au recovered using a Merrill Crowe process to produce a gold/silver dore product on site. A bleed from the circuit may be processed through a SART plant (Sulphidisation Acidification Recycle Thickening (cyanide recovery process)) to recover cyanide complexed with zinc and/or copper as well as produce a zinc and copper sulphide product.

Annexure 4 – Details of Information Used in the Study

Mineral Resource Estimates Used in Annexures 5 – 7

Conrad MRE

Area	Resource Classification	Tonnage	Grade						Metal					
			Silver Equivalent	Silver	Copper	Lead	Tin	Zinc	Silver Equivalent	Silver	Copper	Lead	Tin	Zinc
		(Mt)	(g/t Ag Eq)	(g/t Ag)	(% Cu)	(% Pb)	(% Sn)	(% Zn)	(Moz Ag Eq)	(Moz Ag)	(kt Cu)	(kt Pb)	(kt Sn)	(kt Zn)
Open Pit	Indicated	1.66	163	66	0.08	1.01	0.16	0.67	8.72	3.53	1.38	16.77	2.62	11.19
	Inferred	0.74	125	54	0.08	0.74	0.12	0.39	2.96	1.27	0.58	5.42	0.9	2.87
	Total OP	2.4	152	62	0.08	0.93	0.15	0.59	11.68	4.80	1.92	22.3	3.6	14.15
Under-ground	Indicated	0.2	300	136	0.24	1.87	0.27	0.65	1.93	0.87	0.48	3.75	0.55	1.3
	Inferred	0.74	300	150	0.17	2.03	0.22	0.72	7.11	3.56	1.26	14.97	1.63	5.31
	Total UG	0.94	300	147	0.19	2.00	0.23	0.71	9.04	4.43	1.78	18.73	2.15	6.65
Total	Indicated	1.86	178	74	0.10	1.10	0.17	0.67	10.65	4.40	1.86	20.47	3.16	12.47
	Inferred	1.47	213	102	0.12	1.38	0.17	0.55	10.07	4.83	1.77	20.34	2.51	8.11
	Total	3.33	193	86	0.11	1.22	0.17	0.62	20.72	9.23	3.67	40.68	5.67	20.67

Conrad MRE uses a 40 g/t AgEq cut-off within an optimised pit (2.0 revenue factor) for the portion of the deposit likely mined by open pit and is constrained to domains within the underground portion of the deposit (no AgEq cut-off applied to that portion). The AgEq formula used the following recovery and processing assumptions: recoveries of 90% for Ag, Pb, Zn, Cu and 70% for Sn. AgEq was calculated using the formula $AgEq = Ag\ g/t + 33.3 * Zn\ (%) + 24.4 * Pb\ (%) + 111.1 * Cu\ (%) + 259.2 * Sn\ (%)$ based on metal prices and metal recoveries into concentrate. TMZ: ASX Release 11 August 2021

Silver equivalent (AgEq) grades and ounces are shown in this table for consistency with the larger tablelands projects Hub and Spoke resource base.

In the Company's opinion, the metals included in each metal equivalent calculation have a reasonable potential to be recovered and sold. Totals may not add up due to rounding.

Webbs MRE

Resource Classification	Tonnes (Mt)	Grade					Metal				
		AgEq (g/t)	Ag (g/t)	Zn (%)	Pb (%)	Cu (%)	AgEq (Moz)	Ag (Moz)	Zn (kt)	Pb (kt)	Cu (kt)
Indicated	0.8	252	179	1.19	0.62	0.18	6.7	4.7	9.9	5.1	1.5
Inferred	1.3	176	116	1.04	0.50	0.13	7.6	5.0	14.0	6.8	1.8
Total	2.2	205	140	1.10	0.55	0.15	14.2	9.7	23.9	11.9	3.3

The Webbs MRE uses a 30 g/t Ag cut-off and reported to 225m below surface. The Webbs AgEq Formula uses the following processing recoveries: Ag 87%, Cu 85%, Pb 70% and Zn 89%. The Webbs AgEq formula = $Ag\ g/t + 108.5 * Cu\ (%) + 19.7 * Pb\ (%) + 34.1 * Zn\ (%)$ based on metal prices and metal recoveries into concentrate. For all deposits the metal price assumptions used, where applicable, in the AgEq formula at an exchange rate of US\$0.73 were: Ag price A\$38/oz, Au price A\$2,534/oz, Zn price A\$4,110/t, Pb price A\$3,044/t, Cu price A\$13,699/t, Sn price A\$4,109/t. * TMZ: ASX Release 9 June 2022.

Silver equivalent (AgEq) grades and ounces are shown in this table for consistency with the larger tablelands projects Hub and Spoke resource base.

In the Company's opinion, the metals included in each metal equivalent calculation have a reasonable potential to be recovered and sold. Totals may not add up due to rounding.

Mt Carrington MRE

Deposit	Resource Classification	Grade						Metal				
		Tonnes (Mt)	Au (g/t)	Ag (g/t)	Zn (%)	Cu (%)	AuEq g/t	Au koz	Ag (koz)	Zn (kt)	Cu (kt)	AuEq (koz)
Strauss	Indicated	2.20	1.48	1.74	0.49	0.08	1.83	105.0	123.0	10.7	1.70	129.0
	Inferred	1.36	0.69	1.81	0.33	0.06	0.93	30.0	79.0	4.4	0.90	41.0
Kylo	Indicated	2.14	1.25	1.35	0.19	0.04	1.40	86.0	93.0	4.1	0.80	96.0
	Inferred	0.30	0.41	1.17	0.18	0.05	0.55	4.0	11.0	0.5	0.10	0.5
Total	Indicated	6.00	1.17	1.59	0.33	0.06	1.41	225.0	306.0	19.8	3.5	271.0
	Inferred	0.30	0.41	1.17	0.18	0.05	0.55	4.0	11.0	0.5	0.10	0.5

The Strauss and Kylo MRE uses a 0.35 g/t AuEq cut-off within optimised pit shells. The Strauss and Kylo AgEq and AuEq Formula uses the following metallurgical recoveries: Au 75%, Ag 41%, Cu 28% and Zn 70%. The AgEq formula = $Ag\ g/t + 120.3 * Au\ (g/t) + 76.6 * Cu\ (%) + 69.9 * Zn\ (%)$ based on metal prices and metal recoveries. The AuEq formula = $Au\ g/t + 0.0083 * Ag\ (g/t) + 0.636 * Cu\ (%) + 0.581 * Zn\ (%)$ based on metal prices and metal recoveries. The AgEq and AuEq formula uses metal prices of Au price \$2,500/oz, Ag price A\$38/oz, Zn price A\$5,000/t, Cu price A\$13,699/t. Totals are shown based on a 100% equity basis. Under the terms of the updated WRM-TMZ JV Agreement (ASX: TMZ 23 May 2022) Thomson can earn up to a maximum of 70% equity in the Mt Carrington Project.

Silver equivalent (AgEq) grades and ounces are shown in this table for consistency with the larger tablelands projects Hub and Spoke resource base.

In the Company's opinion, the metals included in each metal equivalent calculation have a reasonable potential to be recovered and sold. Totals may not add up due to rounding.

Cautionary Statement

There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised.

The estimated mineral resources underpinning the production target set out in Annexure 5 have been prepared by a competent person or persons in accordance with the requirements in Appendix

5A (JORC Code) of the ASX Listing Rules. Details of this are set out in the ASX Releases referred to below.

Details of the published MREs used can be found in the following ASX Releases:

Project	Deposit	ASX Release
Texas	Twin Hills Mineral Resource – JORC 2012	ASX: TMZ – 1 March 2022, 19.5 Moz Silver Equivalent MRE for Texas Silver District
	Mt Gunyan Mineral Resource – JORC 2012	ASX: TMZ – 1 March 2022, 19.5 Moz Silver Equivalent MRE for Texas Silver District
	Silver Spur Mineral Resource – JORC 2012	ASX: TMZ – 1 March 2022, 19.5 Moz Silver Equivalent MRE for Texas Silver District
Conrad	Polymetallic Deposit Mineral Resource – JORC 2012	ASX: TMZ – 11 August 2021, 20.7 Moz Silver Equivalent Mineral Resource Estimate for Conrad
Webbs	Silver Base Metal Deposit Mineral Resource – JORC 2012	ASX: TMZ – 9 June 2022, 14 Moz Silver Equivalent Mineral Resource Estimate for Webbs
Mt Carrington	Updated Polymetallic MREs	ASX:TMZ – 22 June 2022, Updated Polymetallic MRE for Mt Carrington Strauss and Kylo
	U-PFS – JORC 2012	ASX: WRM – 19 August 2020, Exceptional Updated Gold Pre-Feasibility Study Results
	Gold First Reserves – JORC 2012	
	Gold First Resources – JORC 2012	
	Gold Dominant Resources – JORC 2004*	ASX:WRM – 19 August 2020, Exceptional Updated Gold Pre-Feasibility Study Results
	Silver Dominant Resources – JORC 2004*	ASX:WRM – 9 October 2017 Improved Gold Resources at Mt Carrington Gold-Silver Project.

Note: * these resources were **not included** for the purposes of the Tables in Annexures 5 – 7

Other Information and Assumptions Used in Annexures 5 – 7

Details of other information used in the Study can be found in the following Thomson ASX Releases:

Date	Title
7 September 2021	Silver Spur Deposit Demonstrating Its Strong Silver and Zinc Output Pedigree
18 January 2022	Mineral Resource Estimate Advances and Significant Silver-Gold Drill Intersections for Twin Hills Deposit, Texas Silver District Reported
24 January 2022	Mineral Resource Estimate for Mt Gunyan Project also advancing, building Texas District Scale Silver-Gold-Base Metal Picture
8 February 2022	Initial Metallurgical Test Work for Texas District Silver – Base Metal Deposits Provide Encouraging Results
6 April 2022	Outstanding Silver and Base Metal Intersections and Positive Metallurgy from Webbs Silver Project
23 May 2022	Restructure of Mt Carrington Earn-In and Option to JV Agreement to Focus on Larger Scale Silver – Gold Polymetallic Opportunity

Net Revenue Calculations

General

Net revenue calculations have been completed for the different resources based on a nominal site situated ~15km east of Tenterfield. Net revenue is defined as product revenue based on the metal payable amounts listed below, less smelter charges and feed and product transportation costs.

A nominal production rate of 1 Mtpa for Mt Carrington and 750 ktpa for Webbs and Conrad has been assigned and based on available testwork results indicative concentrate grades and metal recoveries have been determined. For Mt Carrington resources that contain zinc, the production of a zinc concentrate as well as a precious metal dore product has been compared against the production of a dore product only (i.e. no zinc product). For Webbs Silver the production of a silver concentrate for sale has been compared to two hydrometallurgical options. Both hydrometallurgical options produce a zinc hydroxide and copper precipitate product. The first option also produces a leach residue to be sold as a silver concentrate. The second option produces a silver dore product. In both cases a stabilised arsenic product for disposal is produced.

Based on metal production rates and payable formulas a revenue for each scenario has been calculated. From this ore/concentrate transport costs and an allowance for smelter charges has been subtracted providing a net revenue for each deposit. The net revenue needs to cover mining costs and plant operating costs as well as capital cost payback.

Mt Carrington

For Strauss and Kylo resources Table A compares the impact on net revenue of producing a zinc concentrate and dore product versus a dore product only. For Strauss there is a notable increase in annual revenue associated with the production of the zinc stream. For Kylo the benefit is not substantial as the Kylo zinc concentrate will not reach >45% Zn grade. The net revenue for Strauss and Kylo were calculated as \$82/t and \$69/t respectively.

Table A – Strauss and Kylo Net Revenue Options

	Strauss 3,560,000	Kylo 2,440,000	Strauss 3,560,000	Kylo 2,440,000
Resource size (tonnes)				
Product Suite	Zn Con, Dore	Off spec Zn Con, Dore	Dore	Dore
Production				
Annual Process Rate	1,000,000	1,000,000	1,000,000	1,000,000
Years operation	3.56	2.44	3.56	2.44
Production Zn Con				
Zn con mass tpa	7000	3000	0	0
Production Dore				
Au oz/a	23,396	22,771	29,229	28,115
Ag oz/a	26,206	19,696	25,397	16,599
Revenue				
Metal Pricing AUD				
Au \$/oz	2500	2500	2500	2500
Ag \$/oz	28	28	28	28
Cu \$/t	10486	10486	10486	10486
Zn \$/t	5043	5043	5043	5043
Pb \$/t	2857	2857	2857	2857
As				
Zn Con revenue				
Au	12,071,764	11,963,745	-	-
Ag	-	-	-	-
Cu	257,953	250,476	-	-
Zn	12,868,437	5,664,059	-	-
Pb	-	-	-	-
As	-	-	-	-
Value / tonne ore	25	18	-	-
Value / tonne concentrate	3,600	5,959	-	-
Gross Revenue	25,198,154	17,878,279	-	-
Dore Revenue				
Au	58,490,988	56,928,140	73,073,464	70,288,687
Ag	733,768	551,494	711,125	464,762
Value / tonne ore	59.2	57.5	73.8	70.8
Gross Revenue \$/yr	59,224,756	57,479,635	73,784,589	70,753,449
Net Revenue Summary				
Product Revenues \$				
Zinc Concentrate	25,198,154	17,878,279	-	-
Silver Concentrate	-	-	-	-
Dore	59,224,756	57,479,635	73,784,589	70,753,449
Total Gross revenue	84,422,910	75,357,914	73,784,589	70,753,449
Less smelter charge	1,750,000	750,000	-	-
Less As penalty	-	-	-	-
Less feed transport cost	331,294	289,882	1,263,059	1,946,353
Less product transport cost	370,588	158,824	-	-
Net revenue	81,971,028	74,159,208	72,521,530	68,807,096
Net revenue \$/ t ore	82	74	73	69

Webbs

When treating the Webbs Silver ore, three options have been considered and compared in Table B. The first option requires a concentrator only and produces a high silver concentrate (>3000 g/t) with zinc and arsenic. This is the lowest capital cost option but does not generate value for the zinc (low payable for zinc content) or copper and has a significant arsenic penalty. Confirmation is required that the concentrate could be sold with 5-8% arsenic. Further testwork is also required to confirm that greater than 3,000 g/t silver concentrate can be generated with the current average resource silver grade.

Table B – Webbs Net Revenue Options

Resource size (tonnes)	Webbs 2,200,000	Webbs 2,200,000	Webbs 2,200,000
Product Suite	Silver con with As	Zn(OH)2, CuSO4, Dore	Zn(OH)2, CuSO4, Ag
Production			
Annual Process Rate	500,000	500,000	500,000
Years operation	4.40	4.40	4.40
Production Zn Con		ZnO - 45% Zn	ZnO - 45% Zn
Zn con mass tpa	0	10756	10756
Production Ag con			
Ag/Au con mass	20000		12,792
Zn Con revenue		ZnO, CuSO4	ZnO, CuSO4
Au	-	-	-
Ag	-	-	-
Cu	-	5,681,946	5,681,946
Zn	-	20,746,314	20,746,314
Pb	-	-	-
As	-	-	-
Value / tonne ore	-	53	53
Value / tonne concentrate	-	2,457	2,457
Gross Revenue	-	26,428,261	26,428,261
Dore Revenue			
Au	-	-	-
Ag	-	43,336,345	-
Value / tonne ore	-	86.7	0.0
Gross Revenue \$/yr	-	43,336,345	-
Net Revenue Summary			
Product Revenues \$			
Zinc Concentrate	-	26,428,261	26,428,261
Silver Concentrate	52,412,595	-	48,753,388
Dore	-	43,336,345	-
Total Gross revenue	52,412,595	69,764,605	75,181,649
Less smelter charge	5,000,000	2,688,889	5,886,840
Less As penalty	6,328,000	6,000,000	6,000,000
Less feed transport cost	-	278,379	278,379
Less product transport cost	1,058,824	569,412	1,246,625
Net revenue	40,025,771	60,227,926	61,769,805
Net revenue \$/ t ore	80	120	124

The second option involves a two stage Albion Process™. In Stage 1 the silver concentrate undergoes an acidic oxidative leach which places the zinc, arsenic and copper into solution and leaves the silver in the residue. The arsenic requires fixation with iron and will be a waste product. The copper will be recovered as copper sulphate/sulphide precipitate and a zinc hydroxide product will be produced with similar payable terms to a zinc concentrate.

The high silver residue is then treated in the Stage 2 Albion Process™ tanks in an alkaline oxidative environment to make the silver amenable to cyanide leaching and then silver dore production. Without this stage of treatment, the silver recovery in the cyanide leach would be very low due to the refractory nature of the ore.

In the third Webbs Silver option the high silver residue from the Stage 1 Albion Process™ tanks is sold as a silver concentrate. The Stage 1 Albion Process™ tanks will upgrade the silver content through removal of zinc and the majority of the arsenic and thus payables on silver will be high.

Based on the high-level analysis the third option appears the most attractive as it has a net revenue of \$124/t of ore compared to \$80/t for possible concentrate sale albeit with the added capital costs associated with an Albion Process™ plant. The additional \$44/t net revenue associated with the Albion treatment option translates to ~ \$50M additional revenue over the life of the Webbs deposit. The Albion Process™ plant would then be available for treating lower grade zinc concentrates from Mt Carrington if required and potentially Conrad ore.

In Table B a nominal arsenic fixation cost was included in the Albion Process™ cases (in the arsenic penalty row) to allow for the treatment costs associated with making the arsenic stable for disposal. This was based on a similar figure to the arsenic penalty amount and requires validation.

Conrad

Limited testwork was available for the Conrad resource and for the purposes of this initial study the net revenue was based on the production of a silver concentrate.



Table C – Conrad Net Revenue Calculation

	Conrad
Resource size (tonnes)	3,330,000
Product Suite	LGrade Ag, con
Production	
Annual Process Rate	750,000
Years operation	4.44
Production Ag con	
Ag/Au con mass	30000
Au oz/a	-
Ag oz/a	1,810,359
Cu tpa	701
Zn tpa	4,092
Pb tpa	6,405
Silver con revenue	
Au	-
Ag	45,621,046
Cu	735,311
Zn	2,063,537
Pb	1,830,000
As	-
Value / tonne ore	67
Value / tonne concentrate	1,675
Gross revenue \$/yr	50,249,894
Net Revenue Summary	
Product Revenues \$	
Zinc Concentrate	-
Silver Concentrate	50,249,894
Dore	-
Total Gross revenue	50,249,894
Less smelter charge	-
Less As penalty	-
Less feed transport cost	-
Less product transport cost	1,588,235
Net revenue	48,661,658
Net revenue \$/t ore	65

Metals Payable and Penalty Elements

The metal payable that can be achieved on the saleable product is a key consideration when establishing the process flowsheet. In some cases a product may not achieve value for all the metals it contains and they may even be viewed as a penalty element. Concentrates have a lower payable compared to metal/dore products but typically have a lower capital cost requirement (particularly for base metals such as zinc).

The payment terms which formed the basis for the study work were derived from consultation with various experts and details are considered to be commercially sensitive.

Metal Prices Assumptions

Metal pricings (using a USD:AUD FX rate of 0.66) used in:

Prices used in Annexure 6

Metal	AUD	USD
Silver	\$28.00/oz	\$18.48/oz
Gold	\$2,500/oz	\$1,650/oz
Copper	\$10,486/t	\$6,921/t
Zinc	\$5,043/t	\$3,328/t
Lead	\$2,857/t	\$1,886/t

Prices used in Annexure 7

Metal	AUD	USD
Silver	\$34.00/oz	\$22.44/oz
Gold	\$2,500/oz	\$1,650/oz
Copper	\$10,486/t	\$6,921/t
Zinc	\$5,043/t	\$3,328/t
Lead	\$2,857/t	\$1,886/t

Operating Expenditure Allowance

At this stage of the study, insufficient engineering design has been completed to establish first pass estimates of operating costs and capital costs. Further testwork is also required to validate some recovery and grade data for the different resources.

At this scale of operations, Core would typically expect the plant processing costs to be in the order of \$25-\$35/t ore for a concentrator or cyanide leach facility of the size noted. This is different for each project and depends on the grades and characteristics of the ore as well as project location. The White Rock PFS noted plant operating costs for the 1 Mtpa CIL plant as \$20/t ore which, based on other projects within Core's database, appears low. Core would also expect the mine costs to range from \$15-\$30/t ore for this scale of operation and also varies substantially with required strip ratios.

For Webbs ore which includes the Albion Process™ stage, additional operating costs would be incurred for labour, acid, oxygen, maintenance, etc. Other Albion Process™ projects of this nature have operating costs in the order of \$20-\$40/t ore on top of the concentrator/cyanide leach costs.

Essentially the midpoints of these cost numbers were used for the Indicative Cash Flow tables in Annexures 6 and 7 to provide some indicative operating cost numbers. For Mt Carrington ore bodies an indicative cost of \$50/t for mining and processing was used and \$80/t for mining and processing the Webbs Silver deposit.

Actual costs could in fact be at the higher end of the range and that needs to be borne in mind when viewing the numbers in Annexures 6 and 7.

Further testwork is required to validate assumptions regarding the concentrate grades and recoveries behind these figures. Engineering work is required to establish actual operating and capital costs for the processing plant proposed rather than the current basis of 'typical' values.

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Annexure 5 - Indicative Production Profile for TMZ Resource Base

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Resource Processing Rate									
Strauss	Mtpa	1	1	1	0.56				
Kylo	Mtpa				0.44	1	1	0	
White Rock									
Webbs	Mtpa	0.75	0.75	0.75					
Conrad	Mtpa				0.75	0.75	0.75	0.75	0.33
Total	Mtpa	1.75	1.75	1.75	1.75	1.75	1.75	0.75	0.33
Annual Production									
<u>Mt Carrington Total</u>									
Zinc Concentrate	tpa	7,000	7,000	7,000	3,920	3,000	3,000	-	-
Zinc	tpa	3,002	3,002	3,002	1,681	1,321	1,321	-	-
Cu	tpa	203	203	203	114	141	141	-	-
Au	oz/a	7,123	7,123	7,123	3,989	6,933	6,933	-	-
Ag	oz/a	9,788	9,788	9,788	5,481	7,356	7,356	-	-
Dore									
Au	oz/a	23,396	23,396	23,396	13,102	22,771	22,771	-	-
Ag	oz/a	26,206	26,206	26,206	14,675	19,696	19,696	-	-
<u>Webbs Silver</u>									
Leach products									
Cu	tpa	956	956	956					
Zn	tpa	7,260	7,260	7,260					
Silver Concentrate	tpa	19,188	19,188	19,188					
Ag oz/a	oz/a	2,947,096	2,947,096	2,947,096					
<u>Conrad</u>									
Silver concentrate	tpa				30,000	30,000	30,000	30,000	9,900
Ag	oz/a				1,810,359	1,810,359	1,810,359	1,810,359	597,418
<u>Total Production Profile</u>									
Concentrate/Leach precipitates									
Zinc	tpa	10,262	10,262	10,262	1,681	1,321	1,321	-	-
Cu	tpa	1,160	1,160	1,160	114	141	141	-	-
Au	oz/a	7,123	7,123	7,123	3,989	6,933	6,933	-	-
Ag	oz/a	2,956,884	2,956,884	2,956,884	1,815,840	1,817,715	1,817,715	1,810,359	597,418
Dore Product									
Au	oz/a	23,396	23,396	23,396	13,102	22,771	22,771	-	-
Ag	oz/a	26,206	26,206	26,206	14,675	19,696	19,696	-	-



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Annexure 6 - Indicative Cash Flow (Silver price A\$28/oz)

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Total Production Profile									
Concentrate/Leach precipitates									
Zinc	tpa	10,262	10,262	10,262	1,681	1,321	1,321	-	-
Cu	tpa	1,160	1,160	1,160	114	141	141	-	-
Au	oz/a	7,123	7,123	7,123	3,989	6,933	6,933	-	-
Ag	oz/a	2,956,884	2,956,884	2,956,884	1,815,840	1,817,715	1,817,715	1,810,359	597,418
Dore Product									
Au	oz/a	23,396	23,396	23,396	13,102	22,771	22,771	-	-
Ag	oz/a	26,206	26,206	26,206	14,675	19,696	19,696	-	-
Net Revenue									
Strauss	\$M/a	82	82	82	46	-	-	-	-
Kylo	\$M/a	-	-	-	33	74	74	-	-
Webbs	\$M/a	97	97	97	-	-	-	-	-
Conrad	\$M/a	-	-	-	49	49	49	49	21
Total	\$M/a	179	179	179	127	123	123	49	21
Opex									
Strauss	\$M/a	50	50	50	28	-	-	-	-
Kylo	\$M/a	-	-	-	22	50	50	-	-
Guy Bell	\$M/a	-	-	-	-	-	-	-	-
White Rock	\$M/a	-	-	-	-	-	-	-	-
Webbs	\$M/a	60	60	60	-	-	-	-	-
Conrad	\$M/a	-	-	-	38	38	38	38	17
Total		110	110	110	88	88	88	38	17
Positive Cash Flow									
		69	69	69	40	35	35	11	5

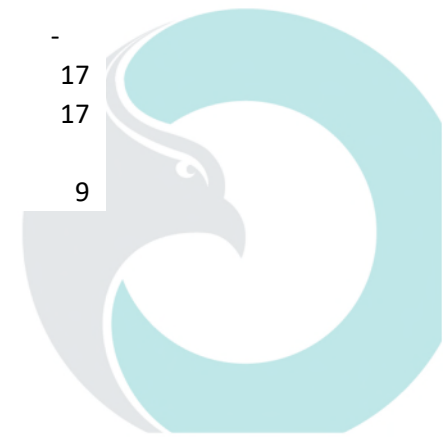


ASX ANNOUNCEMENT

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Annexure 7 - Indicative Cash Flow (Silver price A\$34/oz)

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Total Production Profile									
Concentrate/Leach precipitates									
Zinc	tpa	10,262	10,262	10,262	1,681	1,321	1,321	-	-
Cu	tpa	1,160	1,160	1,160	114	141	141	-	-
Au	oz/a	7,123	7,123	7,123	3,989	6,933	6,933	-	-
Ag	oz/a	2,956,884	2,956,884	2,956,884	1,815,840	1,817,715	1,817,715	1,810,359	597,418
Dore Product									
Au	oz/a	23,396	23,396	23,396	13,102	22,771	22,771	-	-
Ag	oz/a	26,206	26,206	26,206	14,675	19,696	19,696	-	-
Net Revenue									
Strauss	\$M/a	82	82	82	46	-	-	-	-
Kylo	\$M/a	-	-	-	33	74	74	-	-
Webbs	\$M/a	113	113	113	-	-	-	-	-
Conrad	\$M/a	-	-	-	58	58	58	58	26
Total	\$M/a	195	195	195	137	133	133	58	26
Opex									
Strauss	\$M/a	50	50	50	28	-	-	-	-
Kylo	\$M/a	-	-	-	22	50	50	-	-
Guy Bell	\$M/a	-	-	-	-	-	-	-	-
White Rock	\$M/a	-	-	-	-	-	-	-	-
Webbs	\$M/a	60	60	60	-	-	-	-	-
Conrad	\$M/a	-	-	-	38	38	38	38	17
Total		110	110	110	88	88	88	38	17
Positive Cash Flow		85	85	85	50	45	45	21	9



Annexure 8 – Details of Recommended Testwork and Engineering work**Testwork**

Based on the study work conducted to date the following testwork has been recommended by Core. This work will need to be done in conjunction with geologists to ensure samples are representative of the areas that will be mined.

Strauss, Guy Bell and Kyo

- Differential flotation work to demonstrate the production of a zinc concentrate followed by a precious metal concentrate.
- Cyanide leaching of the precious metal concentrate.
- Cyanide leaching of a whole rougher concentrate to compare with the differential approach.
- Possible Albion Process™ treatment of the zinc concentrate if high grades cannot be achieved.
- Comminution testwork.

Webbs Silver

- Flotation testwork on a sample representative of the current resource grade (silver, zinc and arsenic). Prior testwork has been completed on samples with high arsenic grades as well as elevated silver grades. Work to focus on arsenic suppression and maximisation of silver and zinc grade and recovery.
- Albion Process™ testwork on concentrate to establish zinc recovery, extent of arsenic removal and quality of the residue.
- Comminution testwork.

Lady Hampden and White Rock

- Flotation testwork to establish if a saleable grade of zinc concentrate can be generated with White Rock ore and the quality of a silver concentrate that would be generated.
- Cyanide leaching of White Rock silver concentrate.
- Flotation testwork followed by cyanide leaching testwork to establish if the metal recovery can be lifted for the Lady Hampden resource.
- Potential neutral Albion Process™ testwork on Lady Hampden concentrate to establish if it can be made more amenable to cyanide leaching through an oxidative leach.
- Comminution testwork.

Conrad Ore

- Very little testwork exists for the Conrad resource and the programme would consist of sighter testwork only to establish if a saleable concentrate could be produced and what added value treatment through an acid Albion Process™ plant would provide.

Ore sorting tests

- Ore sorting has the potential to lower ore transportation costs without building a grinding and flotation plant. Initial amenability testwork can be done with modest amounts of sample. To validate performance large quantities of material are required which has often limited the implementation of



ore sorting to operating sites. In this case generation of bulk samples from Mt Carrington could be viable given the pits are open (albeit requiring dewatering).

- Ore sorting amenability work could be completed for the Mt Carrington deposits as well as Silver Spur (using recently generated drill core).

The above testwork items would provide sufficient data to enable a conceptual study to be completed on the central processing option. Following that study further testwork would be required to support a PFS level study.

Further time is also recommended to source and review older testwork where it can be linked to representative testwork samples.

Engineering work

Useful work that could be completed now includes:

- Working with a Merrill Crowe technology provider to ascertain how flexible the technology is to a feed stream containing significant variation in silver and gold grades as well as having variable zinc and copper content.
- Establish maximum arsenic levels in a zinc/silver concentrate that can be sold (and transported) and the actual penalty payment. This is critical information to finalise, as it dictates whether an Albion Process™ plant is compulsory for Webbs treatment or optional to gain additional metal value.

Following completion of the testwork outlined above, a conceptual engineering package could be prepared for the central processing facility that would detail specific plant and equipment units on each site and generate a capital and operating cost estimate for each site.

This work would need to be done in conjunction with the mining, tailings treatment and infrastructure teams to produce a whole of project concept and cost basis. Other key areas that could be worked on now in areas outside of the processing plant area include:

- Establishing if there is a reasonable likelihood a significant flotation tailings storage facility could be setup in the Mt Carrington area. This is a potential fatal flaw for the project concept as transport of whole ore from Mt Carrington will not be commercially viable.
- Establishing potential plant site locations outside of Tenterfield that ideally:
 - Have access to grid power and good water supply.
 - Amenable to having a tailings storage facility.
 - Likely to have local government and community support.
- Further geological and mine characterisation of the resources to ensure the resource variability is understood and samples that are selected for testwork are representative.
- Establish from a government perspective if the reopening of the Webbs Silver resource will be met with resistance or support. Pending a favourable outcome work should be completed to establish if this resource could be developed alongside the Mt Carrington resources.

