

## TEM | Lole Transaction Update

### Key Points

- TEM to invest \$1M in Lole Mining joining other investors, including public, private and governmental companies
- Successful Tolukuma site visit as part of due diligence
- Lole transitioning Tolukuma from administration and progressing projects

### News Item

Tempest Minerals Ltd (TEM) is pleased to update the market regarding the status of the proposed acquisition of Lole Mining Ltd (Lole). Lole is progressing the projects in Papua New Guinea (PNG) in parallel to TEM's ongoing due diligence process. The Board views the projects as high potential and subsequently are pleased to announce that TEM will be moving forward with an investment of \$1M in Lole with the view towards being able to potentially acquire Lole. TEM will be joining several other notable public and private Companies in taking initial positions in this exciting gold development.

### Lole Projects

#### Background

TEM previously announced the entry into a conditional deal with Lole. The ongoing view of this deal is that the transformative acquisition <sup>1</sup> would amalgamate with TEM in an equity-based transaction.

**The Tolukuma Mine** is located 100km North of the PNG capital, Port Moresby and historically produced high grade gold and silver (approximately 1 Moz Au and 2.4 Moz Ag) from open pit and underground operations <sup>2</sup>.

The mine boasts a large, legacy mineral resource estimate which presently is not in accordance with international standards such as JORC and a competent person has not completed sufficient work to verify all data. However, an updated resource estimate is currently being completed to current standards by well renowned AMC Consultants. Tolukuma has significant established infrastructure including a fully established power system - both hydropower and diesel, mine camp and helipad facility which requires some refurbishment but comes at a replacement value of approximately \$200M.

The mine sits within a highly prospective 2,000km<sup>2</sup> exploration package with identified mineralisation and significant potential for resource upgrades and further discoveries.

The **Mt. Penck Project** is located within easy vehicle access of Kimbe in the Papua New Guinean West New Britain Province. Mt. Penck is located within the Kulu-Simi regional geological structure and has substantial mineralisation found to date such as trench values of 131m @ 2.4gpt and drilling results including 72m @1.8gpt, 43m @ 2.4gpt, 13m @3gpt and 2m @ 36.7 gpt.

Mineralisation has been classified as high sulphidation epithermal gold with indications of underlying porphyries <sup>3</sup>. These results are taken from historical reports by a former owner of the project which may be not in accordance with JORC or other international standards. Tempest and consultants are reviewing the data however, nothing at this time causes the acquirer to question the reliability of the former owner's results.



Figure 01: Project Locations in PNG

## Status

Tempest previously announced that the intended staged acquisition was conditional upon several administrative factors including formal due diligence which TEM has commenced but is yet to complete.

Managing Director Don Smith recently visited Port Moresby and the Tolukuma Mine Site as part of the due diligence process and was quoted as saying:

“It has been an honour to be hosted in Papua New Guinea and the visit here to the famous Tolukuma Mine site and surroundings really highlight the extraordinary potential of the region. I feel that both from a production and exploration point of view that this has barely had the surface scratched.”



*Figure 02: Managing Director Don Smith with Tolukuma Mine Care and Maintenance Team*

Lole is completing critical Lole milestones in parallel to the official transfer of ownership from administration.

Lole will continue to develop the Papua New Guinea assets while Tempest has been granted an extension of 120 days to complete its due diligence process with a right at the end of that period should Lole not have undertaken, either directly or indirectly, a stock exchange listing to elect to proceed with the acquisition. TEM has secured first rights of refusal to match any other offers Lole may receive during this period.

In addition to this, TEM will be joining a number of public, private and government funded companies in investing in the first stage of the Lole and Tolukuma development story. TEM will initially invest \$1M for a strategic partnership stake in Lole Mining and has reached agreement with Lole to have the right to enter into further transactions in the future.

## Next Steps

- Lole to complete transition ownership of Tolukuma from administration
- Tempest to acquire equity position by investing \$1M towards the progression of the PNG projects
- TEM to continue Due Diligence with view to being able to exercise its various rights in respect of acquiring Lole
- Ongoing exploration at the TEM Western Australian Projects including upcoming drilling at Meleya

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

## About TEM

Tempest Minerals Ltd is an Australian based mineral exploration company with a diversified portfolio of projects in Western Australia considered highly prospective for precious, base and energy metals. The Company has an experienced board and management team with a history of exploration, operational and corporate success.


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


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## Forward-looking statements

This document may contain certain forward-looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the company's control. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement.

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

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

## Competent Person Statement

The information in this announcement that relates to Exploration Results and general project comments is based on information compiled by Don Smith who is the Managing Director of Tempest Minerals Ltd. Don is a Member of GSA, AIG and AusIMM and has sufficient experience relevant to the style of mineralisation under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Don consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## Appendix A: References

1. TEM ASX Announcement dated 05 August 2022 "Transformative Acquisition"
2. PNG Mineral Resource Authority archive
3. Vangold Resources Limited (2009) Mt Penck NI 43-101 report