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ASX Code: TIN

TNT MINES ACQUIRES NORTH AMERICAN ZINC EXPLORATION PROJECT– PELLEY RIDGE NEXT PHASE EXPLORATION PROGRAMS TO COMMENCE IMMINENTLY

Highlights

- TNT Mines has executed a binding share sale agreement to acquire 100% of Metals of Americas, LLC (MOA), which holds the rights to the Pelley Ridge Zinc Project in Montana, USA
- TIN to acquire MOA for nil upfront equity, delivering a fully performance-based equity transaction
- Transaction Consideration - to acquire 100% of issued capital of MOA for:
 - i. 6,750,000 Performance Shares to be issued on the successful discovery of a commercial grade resource at Pelley Ridge - a JORC compliant resource estimate of at least “indicated” status of >2 million tonnes at 6% Zn equivalent
- No additional capital raising is required by the Company - with approximately \$3,000,000 cash at bank with nil debt
- Next phase Pelley Ridge exploration program is expected to commence with field work and an IP survey to be followed up by a June drilling program, with total budgeted expenditure of ~\$500,000
- Pelley Ridge Zinc Exploration Project:
 - Drill Ready – high grade, defined zinc target (drill intercepts to 10.8m @ 7.21% Zn), year-round access
 - Sullivan Zinc Mine analogy - Similar tectonic and time-stratigraphic setting to, located in the same basin as the world-class Sullivan zinc deposit (>160Mt of ore grading at 12% Pb+Zn)
 - Significant historical intercepts in hole DDH PR-2 encountered:
 - 14.9m @ 5.43% Zn from 71m (including 10.8m @ 7.21% Zn), representing the highest known grade hits in the same massive sedimentary basin (Purcell Supergroup/Belt Supergroup) that hosts Sullivan
 - 25.3m @ 3.26% Zn from 24.4m
 - Other strong intercepts at the project including 25m @ 3.09% Zn from 25.6m in PPR-95-09
 - Lies on freehold pastoral ground (typically allowing for rapid permit times)
 - Multimillion-dollar exploration database over the project area acquired
 - Excellent land/permitting setting (private surface and mineral ownership)

- **MOA is a US company set up by well-known USA based geologist and successful project generator Cherie Leeden, who is the CEO and Technical Director of MOA**
- **Cherie Leeden will run the exploration operations on the Pelley Ridge Zinc Project with TIN Board oversight, and is leading the new project generation strategy for TIN, focused on large scale minerals assets in North America**
- **Independent technical and geological due diligence on the Pelley Ridge project completed by CSA Global on behalf of the Company**
- **The TIN Board is targeting North America for significant undervalued mining assets, primarily targeting gold and base metals resources**

TNT Mines Ltd (ASX: TIN) (**TNT Mines** or **Company**) is pleased to confirm it has executed a binding share sale agreement (**Agreement**) to acquire 100% of the issued capital in Metals of Americas, LLC (**MOA**), which holds the rights to the Pelley Ridge license and Bromley license (collectively referred to as the Pelley Ridge Project) in Montana, USA which is a highly prospective advanced zinc exploration asset.

Commenting on the acquisition, TNT Mines Chairman Brett Mitchell said:

“The TIN Board is very pleased to secure the rights to the Pelley Ridge zinc project, as it fits the profile of a potentially company making asset TIN is looking for. It is a drill-ready, high-grade zinc target covering over 2,000 hectares on freehold ground in the first-class mining region of Montana, USA. Despite some highly significant intercepts including 10.8m at 7.2% zinc, only limited work has been conducted by previous owners, including most recently Chinese mining group MMG as part of their exit from USA mining projects in 2016.

As part of the transaction highly experienced mining executive and mine finder Cherie Leeden will lead the Pelley Ridge zinc exploration programs and lead the new project generation strategy for the Company.

“I would like to formally welcome Ms Cherie Leeden, who has now joined the TIN team. Importantly for TIN, Cherie is based in the USA and was instrumental in securing the project for TNT Mines – Cherie has extensive experience in exploration and resource development and was the founder and former managing director of ASX-listed Battery Minerals (ASX: BAT).” he added.

“In addition to the Pelley Ridge exploration program due to commence in the coming weeks, Cherie and her team have reviewed a number of projects on behalf of TIN over the past 6 months and are currently evaluating a number of potential gold and base metal projects in the USA and Canada that may fit our profile for potential future acquisition or investment by the Company.”

PELLEY RIDGE PROJECT OVERVIEW

The Pelley Ridge zinc project encompasses two contiguous leases which cover approximately 2,000 hectares. The project is located near the town of Hot Springs in the Belt Purcell Basin, Montana, and has excellent infrastructure in place with a government-maintained road within the tenure and year-round site access (Figures 1 & 2). The land is not vegetated and has no apparent environmental sensitivities.

Pelley Ridge is a drill-ready, high-grade zinc target located on freehold ground. As such, permits to conduct exploration are generally rapid, and typically take around 4 – 6 weeks to obtain.

The project was selected as it appears to have a similar stratigraphic setting to the giant sediment-hosted Sullivan zinc mine near Kimberley, British Columbia, which contained a total of 160 million tonnes of ore averaging 12% combined lead-zinc and 2 ounces per tonne silver (containing over 9.5 Mt of zinc).

Historical exploration at the project highlighted mineralisation that shows affinities to a strata-bound Pb-Zn-Ag SEDEX-type target within a folded sedimentary sequence (Figure 3). Despite some globally significant intercepts in historical drilling including 14.9m @ 5.43% Zn from 71m (including 10.8m @ 7.21% Zn) only limited work has been conducted at the project.



Figure 1. Location of the Pelley Ridge project and outline of Basin Supergroup



Figure 2. Main Access Road (government-maintained road) within the tenure

Pelley Ridge - Another Sullivan Mine?

Pelley Ridge is interpreted to lie in a similar tectonic and time-stratigraphic setting to the world-class Sullivan zinc mine (Sullivan contained >160MT of 12% combined Pb+Zn and 2 ounces pt Ag). In Canada the prospective rock type which hosts the Sullivan mine is referred to as the 'Purcell Supergroup' and in the USA the same rock type is referred to as the 'Belt Supergroup' (Figure 1). The rock type is exposed over a massive surface area of more than 200,000 km² and is present in western Montana, northern Idaho, north-western Washington and western Wyoming. It extends into Canada where the equivalent rocks are exposed in south-eastern British Columbia and southwestern Alberta. Over this vast surface area, the Pelley Ridge project boasts the best drill intersection outside of the Sullivan mine area.

The Sullivan project is hosted by Proterozoic clastic sediments and is the only known deposit of its class in the Belt basin, with the exception of the smaller, satellite ore bodies peripheral to it. Similar deposits occur in analogous environments within the Proterozoic Carpentarian Basin of Australia, the Palaeozoic Selwyn basin of Western Canada and the Devonian Variscan Basin of Central Europe. Each of these districts hosts more than one large deposit of this type.

Genetic models explaining the origin of these deposits suggest that it is unlikely that only one deposit of this type would form in an environment the size of the Purcell/Belt basin.

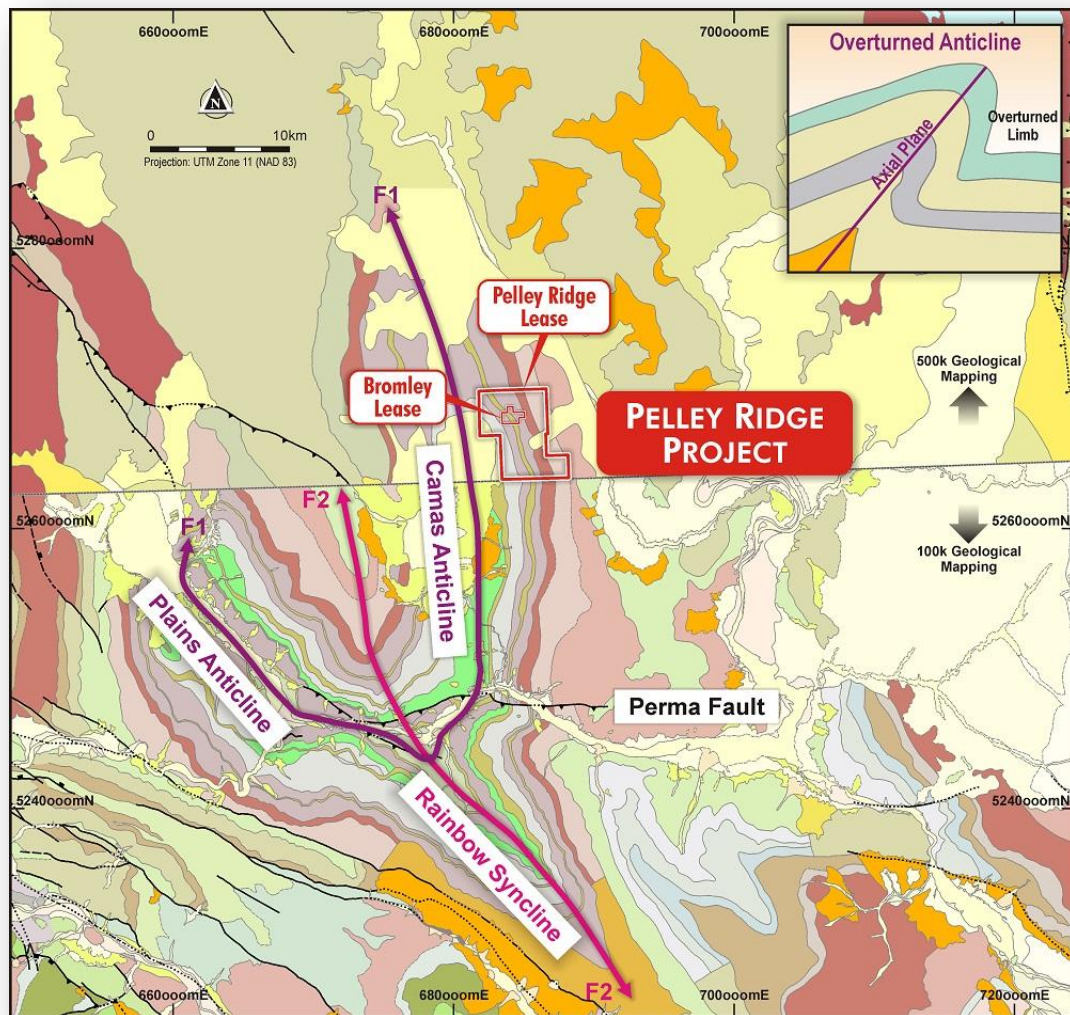


Figure 3. Regional Geology and Location of the Pelley Ridge Project

Previous Exploration at Pelley Ridge

Cominco

Cominco Minerals identified outcropping high-grade base metal mineralisation during a 1983- 1986 grass-roots exploration program searching for Sullivan type deposits in Proterozoic rocks in the Northwest U.S. Cominco collected and analysed 2707 soil samples and then drilled 8 holes on the property. Most of the holes intersected highly anomalous and significant zinc intersections. Hole PR-02 provided their best results and intersected multiple significant zinc +/- lead and silver zones below surface gossan before their program was terminated due to corporate/funding reasons. Subsequent exploration appears to have been somewhat ineffective at testing the main target.

Phelps Dodge

Sporadically between 1995-1998 Phelps Dodge conducted geological and alteration mapping and surface geochemistry (933 samples analysed). This work provided encouragement to conduct ground geophysics and drilling of 13 holes in the regional area.

Hart Baitis and MMG

In 2012, two diamond drill holes were drilled by Hart Baitis. Subsequently MMG acquired the rights to the asset. During their 2015-2016 exploration MMG conducted group geophysics (magnetics and FLTEM) and conducted limited surface geochemistry. MMG drilled two holes which were not analysed, nor positioned along the mineralised trend. The northern extension of the outcropping gossan remains poorly tested.

All known and available historical work is summarised in Table 1, and collar locations are shown on Figure 4.

Mineralisation

Mineralisation - hosted in tremolite and/or chlorite rich units within a clastic sedimentary pile - is described in Cominco's historical core logging as 'disseminated clots of pyrrhotite, pyrite, sphalerite, galena and chalcopryrite suspended within gangue minerals of quartz, calcite, dolomite, chlorite, spessartine and biotite'. At the surface it is marked by a large gossan. The system shows elements of both strata-bound and structural overprint, with drilling to date outlining a broad zinc-rich alteration envelope extending along the length of the >300m prospect area.

The controls and plunge orientation of the massive-sulphide accumulation at the surface remains to be determined, but the work to date presents a high priority drill target. The main target zone of alternation is strongly strata-bound and encompasses all anomalism but has been poorly tested.

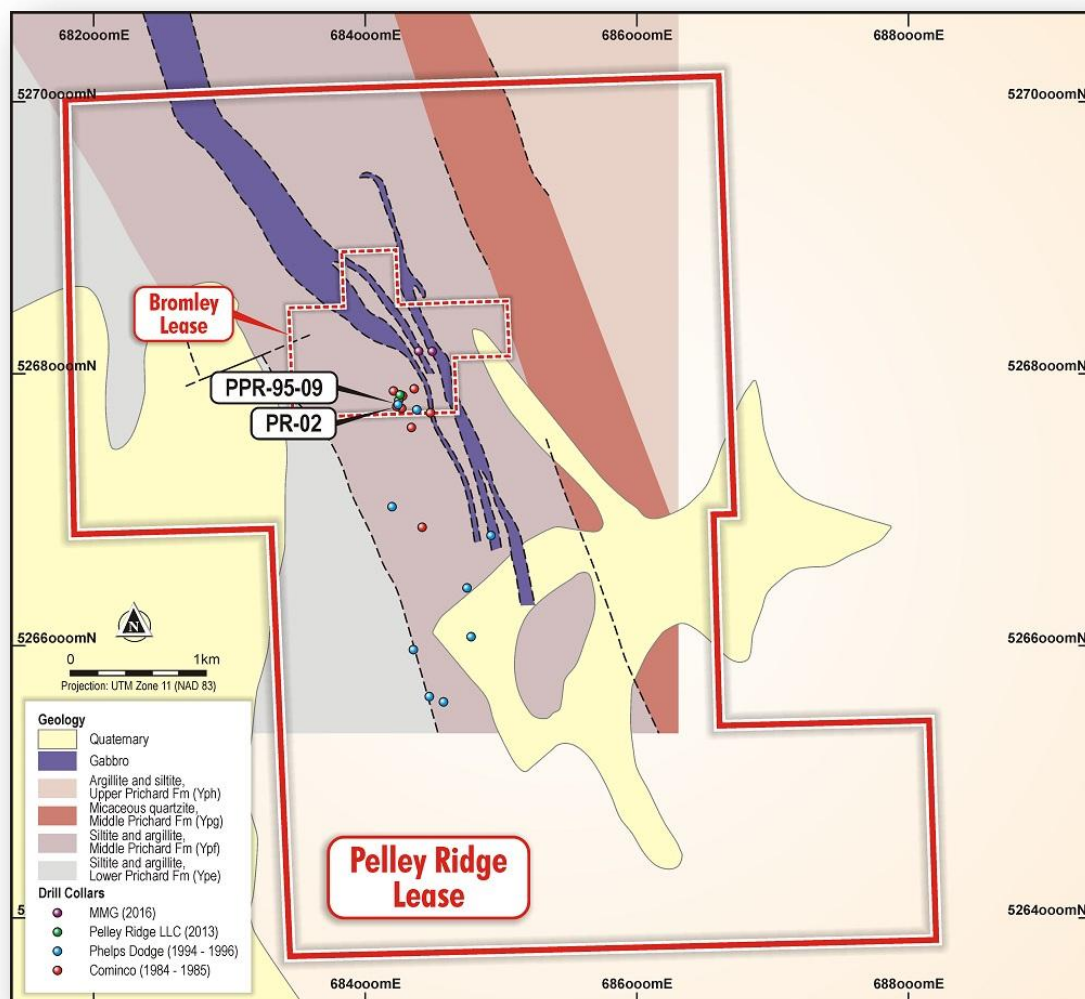


Figure 4. Pelley Ridge Project with historical drill holes over geology

Main Target – Gossan Knob

The prospect is marked by a conspicuous gossan outcrop some 30m x 150m in diameter that sits on the northern end of a low ridge of tremolite/chlorite altered sediments (Figure 5). Exposures to the north are obscured by shallow transported gravels.



Figure 5. Photo of Gossan Ridge and surrounding low-lying terrain

Cominco drilled 8 holes at Gossan Knob with PR-02 returning high-grade intercepts of including **14.9m @ 5.43% Zn** from 71.3m (including **10.8m @ 7.21% Zn**), below a wider zone of **25.3m @ 3.26% Zn** from 24.4m, Figure 5. Nearby and subsequent drill holes supported the presence of a strong zinc-rich tremolite-chlorite alteration event, with widespread >0.25% Zn anomalism and mineralised intercepts to **25m @ 3.09% Zn** from 25m in PPR-95-09, **16.77m @ 3.11% Zn** from 56.5m in PR-01, and **29m @ 2.70% Zn** from 41.1m in PR-04.

The tremolite-chlorite alteration event is interpreted to have contributed to raised aeromagnetic response at Gossan Ridge (Figure 6), and other deep-seated magnetic anomalies along strike warrant exploration.

The Company views the width of historic zinc and supporting lead/silver and copper mineralisation and surrounding >0.20% Zn anomalism as being indicative of strong mineralising system and warranting additional exploration to track massive sulphides beyond the existing drill pattern.

All historical drill holes are listed in Table 1, along with significant zinc intercepts and the programs are described in more detail in Appendix 1.

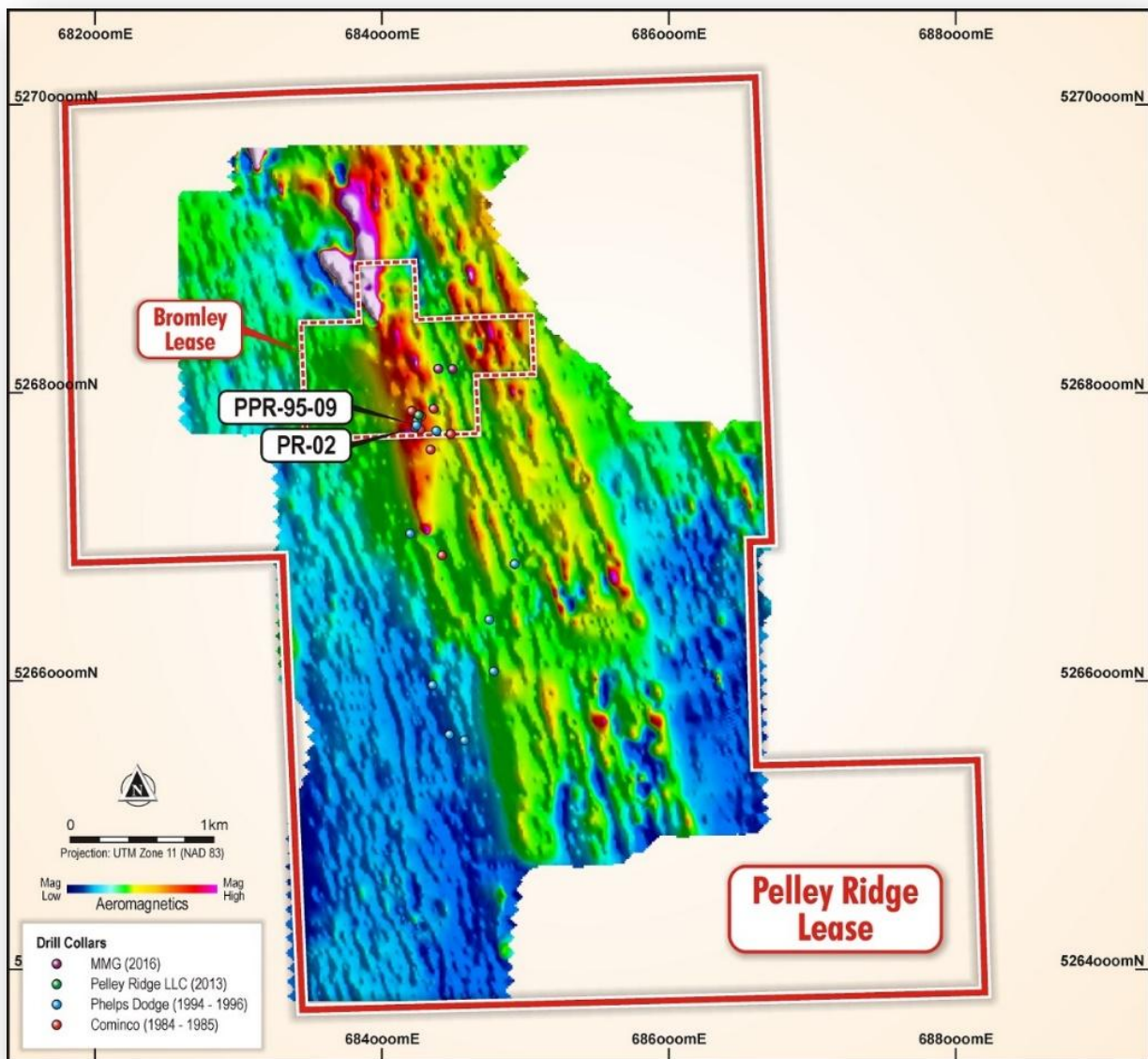


Figure 6. Project Magnetic Anomaly with historical drill holes. Note the main magnetic anomaly to the north has not been tested

| Hole ID | UTM Easting | UTM Northing | Depth (m) | RL (m) | RL (ft) | Azi | Dip | Year | Significant* Zn | From (m) |
|-----------|-------------|--------------|-----------|--------|---------|-----|-----|--------------|-------------------------|----------|
| PR-01 | 684268 | 5267744 | 92.0 | 1192 | 3910 | 200 | -45 | 1984 | 16.8m @ 3.11% Zn | 56.5 |
| PR-02 | 684231 | 5267759 | 123.0 | 1198 | 3930 | 205 | -45 | 1984 | 23.8m @ 1.15% Zn | 70.1 |
| | | | | | | | | | 4.4m @ 2.55% Zn | 16.8 |
| | | | | | | | | | 25.3m @ 3.26% Zn | 24.4 |
| | | | | | | | | | 1.82m @ 5.65% Zn | 64 |
| | | | | | | | | | 14.9m @ 5.43% Zn | 71.3 |
| | | | | | | | | <i>incl.</i> | 10.8m @ 7.21% Zn | 76.2 |
| PR-03 | 684207 | 5267873 | 165.7 | 1175 | 3855 | 210 | -45 | 1984 | <i>NSI</i> | |
| PR-04 | 684275 | 5267838 | 162.9 | 1169 | 3835 | 204 | -45 | 1984 | 29m @ 2.70% Zn | 41.1 |
| | | | | | | | | | 9.1m @ 1.68% Zn | 86.9 |
| PR-05 | 684361 | 5267890 | 277.2 | 1146 | 3760 | 204 | -45 | 1985 | <i>NSI</i> | |
| PR-06 | 684340 | 5267605 | 261.2 | 1155 | 3790 | 270 | -45 | 1985 | <i>NSI</i> | |
| PR-07 | 684419 | 5266872 | 239.4 | 1119 | 3670 | 199 | -45 | 1985 | <i>NSI</i> | |
| PR-08 | 684479 | 5267714 | 290.6 | 1129 | 3705 | 270 | -45 | 1985 | <i>NSI</i> | |
| PPR-94-01 | 684379 | 5267735 | 240.5 | 1155 | 3790 | 270 | -45 | 1994 | 12.6m @ 1.19% Zn | 158.1 |
| PPR-94-02 | 684750 | 5266427 | 219.5 | 1027 | 3370 | 270 | -45 | 1994 | <i>NSI</i> | |
| PPR-94-03 | 684471 | 5265627 | 152.4 | 1125 | 3690 | 260 | -45 | 1994 | <i>NSI</i> | |
| PPR-94-04 | 684354 | 5265972 | 169.9 | 1049 | 3440 | 270 | -60 | 1994 | <i>NSI</i> | |
| PPR-95-05 | 684926 | 5266811 | 232.1 | 1036 | 3400 | 270 | -60 | 1995 | <i>NSI</i> | |
| PPR-95-06 | 684576 | 5265588 | 185.9 | 1122 | 3680 | 270 | -56 | 1995 | <i>NSI</i> | |
| PPR-95-07 | | | | | | 270 | -60 | 1995 | <i>NSI</i> | |
| PPR-95-08 | | | | | | 270 | -75 | 1995 | <i>NSI</i> | |
| PPR-95-09 | 684241 | 5267773 | 242.6 | 1193 | 3915 | 245 | -70 | 1995 | 2.1m @ 2.26% Zn | 22.5 |
| | | | | | | | | | 25.0m @ 3.09% Zn | 25.6 |
| | | | | | | | | | 2.7m @ 3.55% Zn | 55.2 |
| PPR-95-10 | 684576 | 5261359 | 219.5 | 1143 | 3750 | 270 | -60 | 1995 | <i>NSI</i> | |
| PPR-96-11 | 684196 | 5267023 | 240.2 | 1134 | 3720 | 90 | -45 | 1996 | <i>NSI</i> | |
| PPR-96-12 | 684780 | 5266067 | 182.9 | 1042 | 3420 | 270 | -60 | 1996 | <i>NSI</i> | |
| PB-01 | 684255 | 5267845 | 95.7 | 1183 | 3880 | 250 | -45 | 2013 | <i>NSI</i> | |
| PB-02 | 684246 | 5267805 | 106.1 | 1170 | 3840 | 252 | -45 | 2013 | <i>NSI</i> | |
| PLR16-01 | 684394 | 5268159 | 459.6 | 1109 | 3638 | 270 | -50 | 2016 | <i>NSI</i> | |
| PLR16-02 | 684494 | 5268158 | 409.5 | 1140 | 3740 | 270 | -50 | 2016 | <i>NSI</i> | |

* NSI = no intercepts >2m @ >1.00% Zn, intercepts calculated allowing for up to 2m internal dilution at <1% Zn.

Table 1: All historical drilling and significant Zn intercepts from the Pelley Ridge Project

Independent Technical and Geological Due Diligence Completed by CSA Global

The Company engaged CSA Global to complete a detailed independent technical report on the Pelley Ridge Zinc project, including analysis of all available data sets and geological modelling obtained by previous project operators. The CSA analysis also included a site visit and brief inspection of drill core.

The CSA analysis of the project was consistent with the Project Details set out in this announcement and has been used in this announcement. The CSA work on Pelley Ridge will be used by the team in the planning and execution of future exploration programs, and the Company intends to continue to use CSA Global for independent work on the project in the future.

PELLEY RIDGE ZINC PROJECT – NEXT PHASE EXPLORATION PROGRAM

The next phase exploration program has been planned and developed by the Board and Ms Leeden. The Company intends to conduct a surface induced polarisation (IP) geophysical survey commencing in mid May 2019. This will be followed by a drill program of the most compelling geophysical targets.

NORTH AMERICAN NEW PROJECT GENERATION STRATEGY

The Company is focussed on defining a world class base or precious metal asset within the USA or Canada where mining assets appear undervalued due to a lack of capital flows to fund advanced exploration (brownfields) or near-term production assets from traditional financing avenues, including the Canadian equity market.

The Pelley Ridge project is a site-specific opportunity, located in ‘Elephant’ country and deemed prospective for another Sullivan Deposit. Planned work at Pelley Ridge will aim to deliver rapid cost-effective testing of the opportunity and the Company’s geological model, representing a low risk/high reward opportunity.

Separately and independent to the Pelley Ridge project acquisition, TIN’s newly formed project generation team, led by Cherie Leeden, is currently reviewing and assessing more than 20 mineral assets in the USA and Canada, with many of these projects boast existing resources and considered near term producers. The Company will conduct detailed technical and commercial due diligence on opportunities as they arise through this strategy, with several potential assets already under review and currently in due diligence process for TIN.

TRANSACTION OVERVIEW

Under the Share Sale Agreement (**Agreement**), the Company will acquire 100% of MOA from Nedeel, LLC and Ms Cherie Leeden (**Sellers**) (**Acquisition**). MOA holds the rights to the Pelley Ridge mineral lease and the Bromley mineral lease. Chieftain Securities is the corporate advisor to the Company, who identified and secured the Pelley Ridge Zinc project and the new project generation team led by Cherie Leeden, as set out in detail earlier in this announcement.

CONSIDERATION

Consideration to be paid to the Sellers for the sale 100% ownership of the membership interests in MOA will be as follows:

- a) the payment of project management Fee (defined below), being 3% of Pelley Ridge project exploration and development costs approved by TIN Board, to the Sellers (or their nominees), to be capped at US\$4,000,000 with the option to buy out during mine development/construction; and
- b) the issue of 6,750,000 Performance Shares to the Sellers (or their nominees).

Each Performance Share will convert into a fully paid ordinary shares in the Company on a one for one basis upon the Company announcing a JORC compliant resource estimate of at least “indicated” status of at least 2 million tonnes at a grade of at least 6% Zn equivalent within 48 months of Settlement of the Acquisition.

The Company shall pay a Pelley Ridge expenditure fee, the amount equal to three percent (3%) of all TIN board approved exploration and development work expenditure costs incurred by the Company on the Project (**Fee**) to the Sellers (or their nominees). The Fee will be payable on a quarterly basis within 30 days of the end of each quarter. The Fee is payable in cash, or, if otherwise mutually agreed by the parties, Shares or a combination of cash and Shares (subject to TIN shareholder approval if required). Chieftain Securities has no interest in the Fee.

The Company has the option to purchase the Fee from the Sellers for US\$4,000,000. Unless the option to purchase the Fee is exercised by the Company, the Company's obligation to pay the Fee will terminate on the commencement of commercial production of minerals from the Pelley Ridge Project.

The following royalties are payable on minerals produced from the Pelley Ridge Project:

- a) a 2% net smelter return (NSR) royalty payable on production from the Pelley Ridge Project and Bromley Mineral Lease; and
- b) a further 1% NSR royalty payable to Ms Leeden in relation to production from the whole Pelley Ridge Project,

for a total of 3% NSR on production from the whole Pelley Ridge Project.

APPOINTMENT OF BRETT MITCHELL AS EXECUTIVE CHAIRMAN

The Company also wishes to announce that non-executive Chairman Brett Mitchell's role with the Company will now be on an executive basis. Mr Mitchell has been the non-executive Chairman of the Company for the past 2 years and has been responsible for the company's management in this period, with the assistance of the other non-executive directors. Mr Mitchell has entered into a services agreement which sets out his revised role.

The principal terms of the services agreement for the position of Executive Chairman are as follows:

- Cash remuneration for the role of Executive Chairman is equal to \$120,000 per annum (inclusive of taxes and superannuation).
- The agreement may be terminated:
 - by either party promptly following material breach or by the Company in the case of misconduct;
 - by the Company without cause with 6 months' notice, with a payment equal to 6 months' remuneration due at the end of the notice period, or immediately with payment equal to 12 months' remuneration; or
 - by Mr Mitchell without cause with 3 months' notice.
- Eligibility to participate in equity incentive plans from time to time as determined by the Company's Board (other than Mr Mitchell).
- The Executive Chairman will be subject to a restraint of trade for a period of 24 months from the date on which the services agreement is terminated.

TRANSACTION FACILITATION FEE

On completion of the transaction, Chieftain Securities (or its nominees) for services provided to the Company in identifying, technical evaluation and securing the Pelley Ridge project will receive 8,000,000 unlisted options as a transaction facilitation fee, with an exercise price of 25 cents and expiring on 30 June 2023. Chieftain Securities, under its corporate advisory mandate with the Company, provided consultancy services including identifying the asset, technical analysis and support in relation to the Pelley Ridge Project as part of the Company's due diligence, structuring the transaction for TIN and will continue to provide their services in relation to the Pelley Ridge Project.

Chieftain Securities is a boutique corporate advisory and venture capital firm that holds an AFSL, and is the engaged corporate advisor to the Company. TIN director Brett Mitchell is also a director and shareholder of Chieftain, with the transaction facilitation fee an industry standard fee and negotiated on arm's length commercial terms.

CONDITIONS PRECEDENT

Settlement of the Acquisition is conditional upon the Company obtaining:

- a) TIN shareholder approval for the issue of the Performance Shares; and
- b) ASX approval of the terms of the Performance Shares referred to above under the ASX Listing Rules.

The Conditions Precedent must be satisfied on or before 9 August 2019.

TRANSACTION TIMETABLE

As noted above, Settlement of the Acquisition is conditional on TIN Shareholder approval for the issue of the Performance Shares. TIN is aiming to hold the necessary Shareholder Meeting in mid-June, with settlement of the Acquisition to occur shortly after the meeting.

TIN will be seeking ASX approval of the terms of the Performance Shares shortly after the release of this announcement.

METALS OF AMERICAS - MANAGEMENT AND BOARD

With effect from Settlement, Ms Leeden will remain as Country Director USA and Technical Director of MOA. In this role Ms Leeden will be responsible for the geological and exploration operations of MOA in executing the business plans approved by TNT Mines for the core exploration activities on the Pelley Ridge Project as agreed and budgeted by the TIN board. In addition to the Pelley Ridge project management, Cherie will be responsible for driving the North American new project generation strategy.

NV Resources (owned by Ms Leeden) is currently engaged under a consulting services contract for US\$8,000 per month, which will continue on completion of the MOA acquisition, and include her MOA roles.

Ms Leeden, who is based in Nevada, is the former Managing Director and founder of Battery Minerals (ASX: BAT) and has 18 years global corporate experience with a focus on natural resource development in Africa, Australia and the US. She has developed strong relationships with North American end-users and has a proven track record of being a 'mine finder'. She has a Bachelor of Science in Applied Geology degree with Honours from the Western Australian School of Mines and is a member of the Australian Institute of Geoscientists and Australian Institute of Company Directors.

--Ends--

The information in this announcement that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Ms Cherie Leeden, who is consulting Technical Director of the Company. Ms Leeden is a Member of the Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ms Leeden consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Ms Cherie Leeden has reviewed the historical exploration results that are contained in this announcement and has validated the source of the historical information. Ms Cherie Leeden is satisfied with its inclusion in the form and context in which it appears in this announcement.

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Appendix 1

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

| Criteria | JORC Code explanation | Commentary |
|--------------------------------|---|--|
| Sampling techniques | <ul style="list-style-type: none"> <i>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.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>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.</i> | <p>No recent drilling or sampling has been completed.</p> <p>Sampling conducted by Cominco in 1985 was largely reconnaissance rock and soil sampling (2217 soil samples in total). Soil lines were on ~300m and ~600m separations and ranged from 600 to 3050m long; grid soil sampling was in two grids, containing 649 samples and 256 samples, respectively, with sample spacing of ~30m. In addition, they analysed thin sections and polished thin sections from drill core and surface samples.</p> <p>Sampling completed by Phelps Dodge in the mid-1990's consisted of orientation soil lines, and a soil grid north of the outcropping Gossan knob with 122m spaced lines and ~30m sample spacing. 933 soil samples were collected and additional rock samples were also collected.</p> <p>Additional reconnaissance rock chip and soil sampling was conducted by Pelley Ridge, LLC in 2012.</p> <p>Most recently, in 2015, MMG conducted the Pelley Ridge Field Program, which included soil (62 samples) and rock (14 samples) sampling, and thin section petrography (14 samples).</p> |
| Drilling techniques | <ul style="list-style-type: none"> <i>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).</i> | <p>No recent drilling has been completed.</p> <p>Drilling by Cominco in 1984-1985 consisted of 1612m of drilling (8 diamond drill holes).</p> <p>Drilling by Phelps Dodge in 1994-1996 consisted of 12 holes drilled for a total of 2085m.</p> <p>Subsequent drilling was conducted by Pelley Ridge, LLC (2 DDH) and MMG in 2016, which consisted of 2 DDH holes at a total depth of 869m.</p> |
| Drill sample recovery | <ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>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.</i> | <p>Not stated in historical reports.</p> |
| Logging | <ul style="list-style-type: none"> <i>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.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> | <p>All historical drilling included qualitative and quantitative logging as well as core photos, currently in possession of MOA.</p> <p>Where recovery percentages have been documented in historical reports, they are listed as >95%.</p> |
| Sub-sampling techniques | <ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> | <p>Historical sample preparation seems to have followed industry best practice standards and was conducted by internationally recognised laboratories at the time of analysis.</p> |

| Criteria | JORC Code explanation | Commentary |
|--|--|--|
| and sample preparation | <ul style="list-style-type: none"> 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. | <p>We have limited data from historical reports; Cominco ran multi-element analyses of 1612m of drill core of each 1.5m or less interval. In addition, they ran spectrographic analysis of selected core samples and XRD analysis of selected minerals.</p> <p>As part of the 2015 Field Program conducted by MMG, they analysed soil samples by ME-MS41L, an aqua regia digestion, followed by ICP-AES and ICP-MS. 14 rock samples and 27 core samples were sent for Whole Rock Complete Characterization Lithogeochemical analysis.</p> |
| Quality of assay data and laboratory tests | <ul style="list-style-type: none"> 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. | <p>No current assay data and laboratory tests have been conducted.</p> <p>Cominco ran a geophysical program between 1984 and 1987, during which they ran:</p> <ul style="list-style-type: none"> - February 1984, CS-AMT survey (5 lines) - March 1985, IP, resistivity, and ground magnetic survey - 1985 - Late 1985, HLEM survey, IP, resistivity survey, downhole IP, resistivity logging of DDH PR-1 - January 1986, downhole IP, resistivity logging of DDH's PR-2 and 4 - April 1986, CS-AMT survey - June 1986, semi-reconnaissance CS-AMT survey - February 1987, ZTEM survey <p>Between 1994-1996, Phelps Dodge ran geophysical surveys including ground magnetic grids, gravity, surface EM and downhole EM.</p> <p>In 2015, MMG conducted geophysical work, which included:</p> <ul style="list-style-type: none"> - 12.9 line km of ground magnetics at 100m spacing - One fixed loop TEM survey, 50m station spacing on lines spaced 100m for a total of 6.3km |
| Verification of sampling and assaying | <ul style="list-style-type: none"> 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. | <p>None undertaken.</p> <p>Not applicable.</p> <p>Historical data has been collated into historical reports, data tables, and figures that have been digitized and are in the Company's possession.</p> |
| Location of data points | <ul style="list-style-type: none"> 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. | <p>Historical drill data is summarized in Table 1 of announcement. The grid system specified is UTM (NAD83).</p> |
| Data spacing and distribution | <ul style="list-style-type: none"> 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. | <p>Not stated in historical reports.</p> |
| Orientation of data in relation to geological structure | <ul style="list-style-type: none"> 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. | <p>Where data is available from historical reports, it is included in Table 1 of announcement.</p> |

| Criteria | JORC Code explanation | Commentary |
|--------------------------|---|---|
| Sample security | <ul style="list-style-type: none"> The measures taken to ensure sample security. | No recent samples have been collected and no samples are currently in the Company's possession. |
| Audits or reviews | <ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. | None completed. |

JORC Code, 2012 Edition – Table 1

Section 2 Reporting of Exploration Results

| Criteria | JORC Code explanation | Commentary |
|--|--|---|
| Mineral tenement and land tenure status | <ul style="list-style-type: none"> 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. | <p>Private surface and mineral ownership exist at Pelley Ridge. Metals of Americas, LLC has entered into mineral leases over the surface and mineral rights to the Pelley Ridge Zinc Project. The Company has entered into a Binding Exclusivity Agreement to potentially to acquire 100% of issued capital in Metals of Americas, LLC.</p> <p>There are no known material issues affecting the mineral leases.</p> <p>All tenements have been legally validated by a land manager to confirm title to the relevant surface and mineral rights.</p> |
| Exploration done by other parties | <ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. | <p>Cominco American Resources Incorporated initially conducted exploration at Pelley Ridge. Cominco discovered the prospect in 1983 during a grass-roots exploration program. They drilled 8 holes on the property, but terminated their lease agreements by the end of 1986. 6 of those drill holes were collared within 250m of the summit of Pelley Hill, on the down dip extent of the gossan.</p> <p>Between 1994-1996, Phelps Dodge drilled an additional 13 holes in the Pelley Ridge vicinity. This work was followed by exploration and minimal drilling conducted by Pelley Ridge, LLC (2 holes) and MMG (2 holes) between 2013-2016.</p> <p>While only limited exploration has been conducted at Pelley Ridge, significant Pb, Zn, and Ag intercepts have resulted. Furthermore, significant mineralized drill intercepts confirm the sedex model at Pelley Ridge.</p> |
| Geology | <ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. | <p>The Pelley Ridge prospect shows similarities to the Sullivan Deposit (> 160 Mt of ore grading 12% combined Pb and Zn, and +2 ounce Ag), in its tectonic and time-stratigraphic settings. The Sullivan mine in British Columbia is hosted by Proterozoic clastic sediments of the Aldridge/Prichard Formation, the basal portion of the Belt/Purcell Supergroup.</p> <p>The gossans and stratabound Pb-Zn-Ag mineralization that characterizes the Pelley Ridge prospect is hosted in similar Proterozoic clastic sedimentary rocks, also of the Prichard Formation. The rocks consist of fine-grained argillites, siltites, and quartzites that strike approximately N°5-35°W and have dips ranging from 50° to 85° to the NE.</p> <p>Just above the lower Prichard-middle Prichard contact exists the approximately 975 m long and 244 m wide mineralization zone. Anomalous Pb, Zn, Cu, and Ag are found within siltite containing garnet and chlorite porphyroblasts. At the northern end of the mineralization zone, tremolite-rich rock contains <2.3% Zn in outcrop, and lies on a gossan containing <1.3% Zn. Upsection of</p> |

| Criteria | JORC Code explanation | Commentary |
|---|---|--|
| | | the occurrence are gabbroic to dioritic sills/dikes that have NW trends and easterly dips, similar to the adjacent strata. |
| Drill hole Information | <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. | <p>Refer to Table 1 in announcement</p> <p>Drilling by Cominco in the 1980's shows significant mineralized intercepts in a number of holes drilled at or near the gossan outcrop. PR-2 intercepted chlorite-rich rock that contains the best metal concentrations to date, and possible the best base metal intercept ever drilled in the Prichard Formation and perhaps the entire Belt system outside of the Sullivan Mine area. This zone, at 74m depth, contains 13.1m of semi-massive sulphide with 6% Zn and 0.2% Pb, within with 5m of 9% Zn were intersected. At shallower depths of 24.3m, PR-2 encountered 27.1m of 2.8% Zn.</p> <p>Subsequently, additional drilling from Phelps Dodge intercepted significant Zn and Pb mineralization in a drill hole collared near the Pelley Ridge gossan knob outcrop. Drill hole PPR-95-09 encountered 25m of 3.1% Zn at 25m depth within a larger, 114m zone of mineralization that contained narrow intervals of up to 8% Zn.</p> |
| Data aggregation methods | <ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and 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. | <p>All historical reports are within MOA's possession including drill hole logs and geochemical data.</p> <p>Reported historical intercepts have been calculated for Zn only at a 1% cut-off and allowing for up to 2m of internal dilution of low grade material >0.3%. No new exploration results are reported here.</p> |
| Relationship between mineralisation widths and intercept lengths | <ul style="list-style-type: none"> 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 (eg 'down hole length, true width not known'). | <p>Historical drilling was largely aligned to cut NE dipping host rocks at right angles. Local relationships between host rocks and mineralisation are yet to be determined.</p> |
| Diagrams | <ul style="list-style-type: none"> 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. | <p>Refer to body of announcement.</p> |
| Balanced reporting | <ul style="list-style-type: none"> 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. | <p>All historical reports and drill logs pertaining to Phelps Dodge Drill Hole #PPR-95-9, and Cominco Drill Hole #PR-2 are in MOA's possession, and reported in Table 1.</p> <p>No new exploration results are reported here.</p> |
| Other substantive exploration data | <ul style="list-style-type: none"> 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. | <p>All meaningful and material data is reported.</p> |

| Criteria | JORC Code explanation | Commentary |
|---------------------|---|--|
| Further work | <ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> | <p>Detailed geochemistry to better define trends of known mineralised zones.</p> <p>Downhole and ground geophysical orientation surveys to determine whether ground geophysics is a useful exploration technique in this terrain. If useful, additional geophysics.</p> <p>Surface work to be followed by a drill program to test the best base metal exploration targets.</p> |