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New NSW Gold Tenement acquisition agreement executed

31 August 2020

Highlights

- **Binding agreement executed to acquire gold project near Tenterfield, NSW**
- **Prospective for Intrusion-Related Gold Systems ("IRGS")**
- **Previous historic drilling significant intercepts include:**
  - 67m at 3.8 g/t Au (Hortons)
  - 44m at 4.3 g/t Au (Hortons)
  - 34.5m at 4.6 g/t Au (Hortons)
  - 27.5m at 7.5 g/t Au (Hortons)
  - 42m at 3.9 g/t Au (Hortons)
  - 30m at 2.2 g/t Au (Surface Hill), including 8m at 3.4 g/t Au

Acquisition of Hortons Gold Project

Thomson Resources Ltd ("**Thomson**" or "**Company**", ASX:TMZ), advises that the Company has entered into a binding Terms Sheet to acquire the Hortons gold tenement from private company, Syndicate Minerals Pty Ltd ("**Syndicate**").

The Hortons gold tenement (EL8927) is situated 30km of Tenterfield in Northern NSW (see Figure 1) and has high potential for Intrusion-Related Gold System ("**IRGS**") type gold mineralization. The tenement covers 58 sq. km and has a number of gold targets, of which some have historic drilling (see Figure 2).

Figure 1 – Location of EL8927.

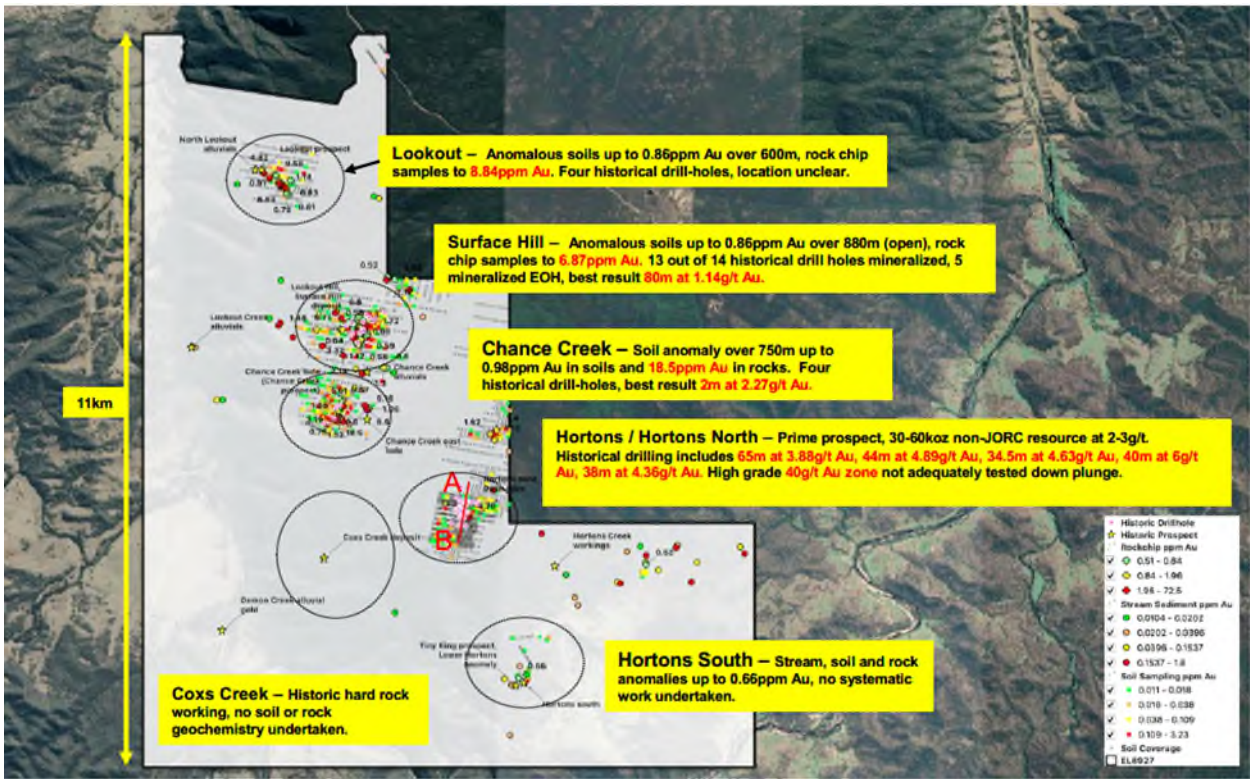

Figure 2 – EL8927 showing historic exploration activities on the various targets (Source: Syndicate Minerals Pty Ltd).

Thomson's Chairman, David Williams, said:

> *"The Hortons gold project acquisition represents a further building up of a quality Australian focused gold portfolio, able to be worked all year round. The historic drilling at the Hortons prospect, with intervals like* ***27.5m at 7.5 g/t Au, including 4m at 40 g/t Au*** *in hole HOD100 illustrates the great potential of this Tenement.*
>
> *Thomson has now pulled together a great flow of exploration work going forward and we look forward to outlining this program in the very near future."*

The most developed of these prospects is Hortons which has a gold soil anomaly over 400m in length with multiple individual soil samples over 1ppm Au, and rock samples to 12.3 g/t Au. Previous exploration work was focused on shallow low grade (<1 g/t Au) open pit resources. Despite that low grade focus results indicate a high grade ~6 g/t Au shoot contains the bulk of the gold mineralisation and this has not been adequately tested down plunge.

Highlights from the previous drilling at Hortons are:

- **RSMPQ4 – 67m at 3.8 g/t Au from 15m depth**
- **HOD100 – 27.5m at 7.5 g/t Au from 24m depth, including 4m at 40 g/t Au**
- **HOD102 – 44m at 4.3 g/t Au from 46m to end of hole**
- **HOD109 – 34.5m at 4.6 g/t Au from 31m depth**
- **RSM111 – 42m at 3.9 g/t Au from 34m depth**

The Surface Hill gold prospect contains a large coherent gold soil anomaly over 800m in length with individual soils up to 3.3 g/t Au with rock chip sampling up to 6.9 g/t Au. A 14 hole RC drill program was conducted in 1995 and showed a large gold mineralised system with signs of high grade, with 13 out of 14 holes mineralised and 5 of those mineralised to end of hole. Soil anomalies are open to the east

and west, and additionally a number of anomalous stream sediment samples near the prospect have not been followed up with soil sampling.

Highlights from previous drilling at Surface Hill are:

- SHRC2 - **80m at 1.14g/t Au** including 30m at 2.2 g/t Au, mineralised surface to EOH
- SHRC5 - **2m at 10.1 g/t Au from 2m depth,** and 26m at 0.9 g/t Au from 36m depth
- SHRC11 - 6m at 1.0 g/t Au from 2m depth, and 58m at 0.4 g/t Au from 16m depth

The Chance Creek gold prospect is a large high tenor soil anomaly over 750m in length with individual soils up to 1 g/t Au with rock chip sampling up to 18.5 g/t Au. The style of mineralisation at Chance Creek is more sulphide rich and mine dump / float samples are higher grade on average than the rest of the field. A small, wide spaced 4 hole RC drill program was conducted in 1995 and showed mineralisation in one hole, CCRC1 with 2m at 2.3 g/t Au from 6m depth. Soil anomalies are open to the south and a historic hard rock working to the east "Chance Creek East" has not been sampled.

The Lookout gold prospect contains a large coherent soil anomaly over 600m in length with individual soils up to 0.9 g/t Au and rock chip sampling up to 8.8 g/t Au. A 4 hole RC drill program conducted in 1995 only returned mineralisation in one of four holes - NLRC1 - 22m at 0.3g/t including 2m at 2.6 g/t Au from 16m depth. Soil anomalism appears to be open to the south.

Acquisition Terms

Thomson will acquire 100% of the interest of Syndicate in the tenement, EL8927 (as detailed above) and the associated information and agreements ("**Sale Interest**").

The Consideration for the Sale Interest shall comprise:

(a) The Share Consideration shall be 5,700,000 fully paid ordinary shares in Thomson and shall be issued on the registration of the transfer of the Sale Interest ("**Completion**");

(b) The Option Consideration shall be 5,000,000 Options on the same terms as the options issued pursuant to the approval given by Thomson shareholders at the AGM held on 29 November 2018 in resolutions 7 to 10 (both inclusive), namely an exercise price of $0.06 per option and an expiry date of 30 November 2021, and shall be issued on Completion;

(c) The NSR Consideration shall be a 1% Net Smelter Royalty ("**NSR**") on any ore or minerals extracted from the Tenement, except for gold, silver and platinum group metals, which will have an NSR calculated as follows where at the time the NSR is incurred the gold price is:

  (i) Under US$3,000/oz, the NSR will be 1%;

  (ii) US$3,000 to US$5,000/oz, the NSR will be 1.5%; and

  (iii) Greater than US$5,000/oz, the NSR will be 2%;

  The NSR will be granted in a royalty deed executed by Thomson and Syndicate which will take the form of the attached to the Terms Sheet, with no modifications to be made except for its execution. Thomson must deliver an executed counterpart of the royalty deed prior to the transfer of the Sale Interest.

(d) The Performance Consideration shall be Performance Rights as follows:

  (i) Milestones:

    (A) the definition of a Resource compliant with JORC 2012 relating to the area of the Tenement as at Completion of a minimum of 1,000,000 oz of gold at a cut-off grade of 0.5g/t Au for an open pitable resources and 2g/t Au for underground resources, with at least 50% of the Resource in the Indicated category – the Milestone 1 Performance Right shall have a value equal to A$1 per oz gold of the Resource so defined for oz gold from 1,000,000 oz up to but not including 3,000,000 oz;

    (B) a Resource compliant with JORC 2012 relating to the area of the Tenement as at Completion of a minimum of 3,000,000 oz of gold at a cut-off grade of 0.5g/t Au for an open pitable resources and 2g/t Au for underground resources, with at

least 50% of the Resource in the Indicated category - the Milestone 2 Performance Right shall have a value equal to A$1.25 per oz gold of the Resource so defined for oz gold from 3,000,000 oz up to but not including 5,000,000 oz; and

(C) a Resource compliant with JORC 2012 relating to the area of the Tenement as at Completion of a minimum of 5,000,000 oz of gold at a cut-off grade of 0.5g/t Au for an open pitable resources and 2g/t Au for underground resources, with at least 50% of the Resource in the Indicated category - the Milestone 3 Performance Right shall have a value equal to $1.50 per oz gold of the Resource so defined for oz gold from 5,000,000 oz and above.

(ii) where the relevant Milestone is achieved, Thomson can elect to satisfy the applicable Performance Right by either:

(A) the payment of the amount in cash; or

(B) the issue of fully paid ordinary shares in Thomson (where the number of shares to be issued is equal to the cash amount divided by the 20 day VWAP immediately prior to the applicable Resource announcement by Thomson); or

(C) any combination of paragraphs (A) and (B).

(iii) The Performance Consideration Milestones must be achieved within 5 years of approval of the Performance Consideration by the shareholders of Thomson and are subject to meeting both ASX and Thomson shareholder approval, to occur prior to Completion.

Completion will be subject to a number of conditions precedent:

(a) Thomson undertaking and being satisfied with reasonable due diligence on the Tenement, such due diligence being completed within 2 months from the date of this Key Terms Agreement;

(b) Approval, as required, from the ASX and shareholders of Thomson to the issue of the Consideration;

(c) Ministerial consent to be obtained in relation to transfer of the Tenement;

(c) the parties are to comply with all the Corporations Act and Listing Rule requirements and any other applicable laws or government policies.

The conditions must be satisfied (or waived) on or before 31 December 2020 (or such other date as the parties agree).

Thomson is required to undertake at least 1,000 metres of reverse circulation or diamond drilling during the 3 year period following Completion of the sale and purchase of the Tenement. Failure to do so will enable Syndicate to have the Tenement transferred back to it.

Forward Work Program

Thomson will now undertake further due diligence and develop work programs going forward after Completion.

Corporate Changes

Given the increasing activities of the Company and the workload of existing Directors, the Board has determined to implement the following changes with effect from 1 September 2020:

- David Williams, the current Chairman, will become Executive Chairman focused on corporate and capital activities of the Company and his remuneration will be increased to $100,000 per annum plus statutory superannuation – notice period: 3 months' by Mr Williams, 6 months' by the Company;
- Eoin Rothery, the current CEO, will become Technical Director focused on all of the Company's exploration activities and his remuneration will be increased to $180,000 per annum plus statutory superannuation – notice period: 3 months' by Mr Rothery, 6 months' by the Company.

All other terms of their employment remain the same.

This announcement was authorised for issue by the Board.

Thomson Resources Ltd

Eoin Rothery
Chief Executive Officer

Competent Person
The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Eoin Rothery, (MSc), who is a member of the Australian Institute of Geoscientists. Mr Rothery is a full-time employee of Thomson Resources Ltd. Mr Rothery has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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 Rothery consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This report contains information extracted from previous ASX releases which are referenced in the report and which are available on the company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

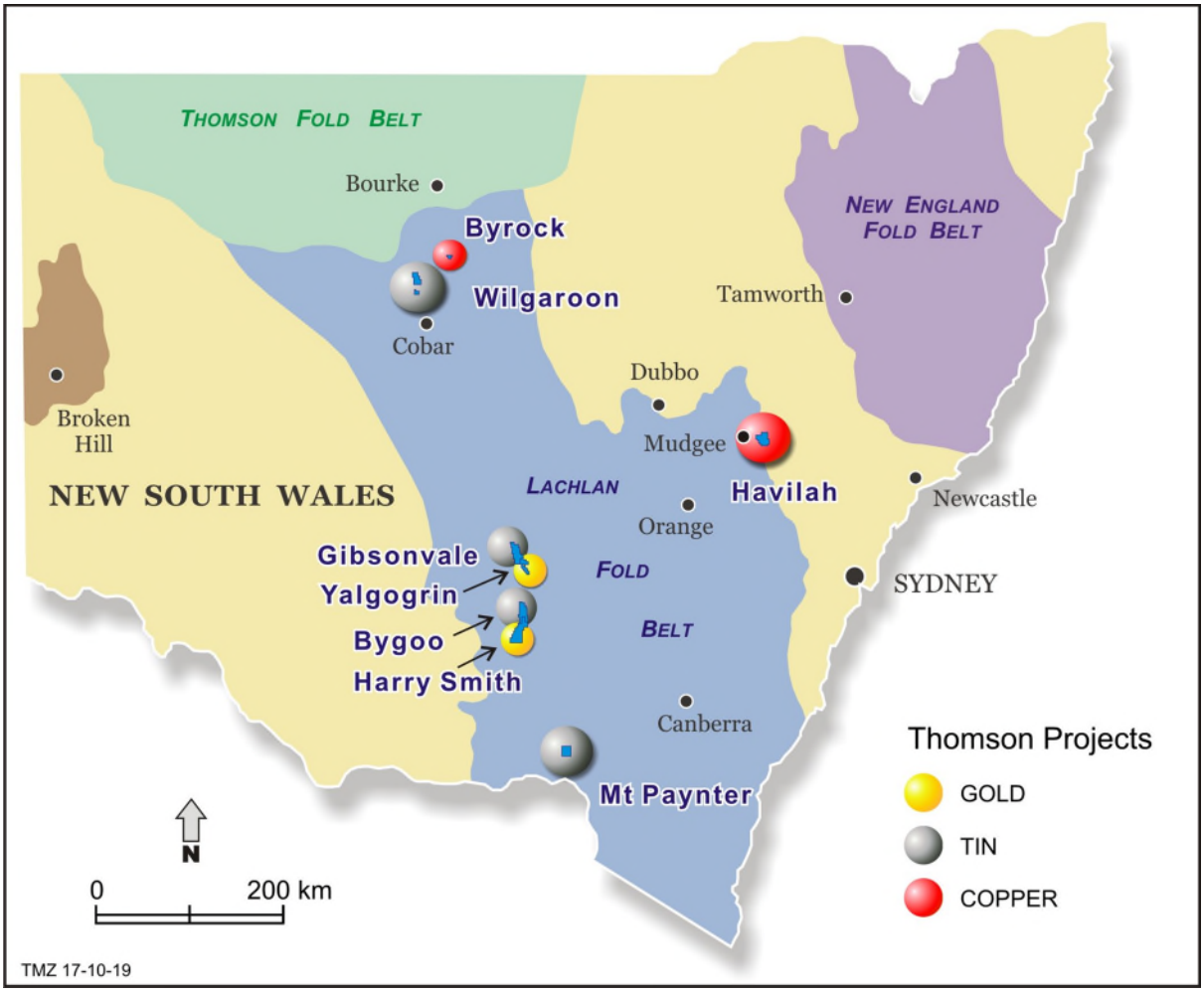

Figure 3 - Thomson Resources' projects in NSW

Harry Smith Gold Project

The Harry Smith Gold Project was granted to Thomson Resources in 2016 and lies 30km south of Ardlethan. Three distinct gold-bearing quartz reefs occur at the Harry Smith prospect and were worked historically from 1893 to 1942. Total recorded production was over 3,500 ounces of gold (Mines Record 2507). Thomson Resources has drilled 14 holes to date with significant gold intercepts on all three lodes including a strong high-grade hit on the Silver Spray lode (**9m at 9.2 g/t Au** from 38m in HSRC009, within a broader zone of **17m at 5.2 g/t Au).**

[For further information and the detail of the above see Thomson Resources ASX Releases of 16 September 2016, 26 March 2018, 19 June 2018, 16 January 2019 and 29 January 2019].

Yalgogrin Gold Project

The Yalgogrin Gold Project was acquired by Thomson in October 2019. EL 8684, together with the recently granted EL 8946, covers the Yalgogrin Gold Field with multiple historic gold workings. Gold was first produced at Yalgogrin in 1893 and continued sporadically at multiple centres until 1954. Total historic production from the workings is estimated at more than 15,000 ounces at grades averaging over 1 ounce per ton. Multiple high-grade surface samples occur at and between historic workings and there has been little modern drill follow up (see Thomson's ASX release of 15 October 2019).

Bygoo Tin Project

The Bygoo Tin Project was acquired by Thomson Resources in 2015 and lies on the 100% owned EL 8260. The EL surrounds the major tin deposit at Ardlethan which was mined until 1986, with over 31,500 tonnes of tin being produced (reference Paterson, R.G., 1990, Ardlethan tin deposits in the Australasian Institute of Mining and Metallurgy Monograph no. 14, pages 1357-1364). There are several early-twentieth century shallow tin workings scattered up to 10km north and south of Ardlethan, and few have been tested with modern exploration. Thomson has had immediate success in drilling near two of the historic workings, Bygoo North and South, which lie towards the northern end of the tin-bearing Ardlethan Granite.

At Bygoo North Thomson has intersected multiple high-grade tin intersections in a quartz-topaz-cassiterite greisen including **11m at 1.0% Sn** (BNRC10), **35m at 2.1% Sn** (BNRC11), **11m at 1.4% Sn** (BNRC13), **11m at 2.1% Sn** (BNRC20), **29m at 1.0% Sn** (BNRC33) and **19m at 1.0% Sn** (BNRC40). The greisens appear to be steep to vertical; about 5-10m wide in true width; strike east-west; and the tin intersections appear to have continuity within the greisen.

At Bygoo South Thomson has intersected a sulphide-rich quartz topaz greisen with high-grade tin intersections including 8m at 1.3% Sn (BNRC21), 20m at 0.9% Sn (BNRC31) and 7m at 1.3% Sn (BNRC35). The orientation and geometry of this greisen is not yet clear. 20km south of Bygoo Thomson has intersected more tin at one of the old workings in the Bald Hill tin field with a best result of 15m at 0.4% Sn from 19m depth in hole BHRC01.

[For further information and the detail of the above see Thomson Resources ASX Releases of 21 November 2016, 28 June 2017, 16 October 2017, 5 April 2018, 5 July 2018 and 7 January 2019]

JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	RC samples are by riffle split 75:25 each metre. The 25% split was further riffle split 50:50, to get a 1kg sample. Each two metres were then composited together to obtain a 2kg sample for assay. Any sample larger than 3kg was again riffle split 50:50. Rock chip samples are grab samples, but as representative of the area e.g. 1m x 1m being sampled.
Drilling techniques	Reverse Circulation and diamond drilling
Drill sample recovery	Recovery information is not available.
Logging	All holes logged metre by metre, with chips sieved and washed and stored for potential further study.
Sub-sampling techniques and sample preparation	None
Quality of assay data and laboratory tests	All drill samples were submitted with blanks and standards at least every 20th sample. Any batch with more than 20% variation from standards were re-assayed by the lab. If blanks were anomalous 2-3kg field duplicates were submitted for assay. Samples were analysed at ALS, Brisbane for fire assay gold, 50g charge with AAS finish, method no. PM209.
Verification of sampling and assaying	No independent verification has taken place. An internal review of assay results and intercepts has resulted in some minor changes to the interval widths and grades. Those quoted in the body of the report are regarded as most accurate.
Location of data points	Locations are given in MGA Zone 56 co-ordinates.
Data spacing and distribution	Data spacing is irregular as this is exploration.
Orientation of data in relation to structure	Holes are generally drilled at a high angle to the interpreted structure.
Sample security	No particular security measures were employed.
Audits or reviews	No audits or reviews have taken place.

Section 2 Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	Historic drilling took place on EL 2619 and EPL 1099.
Exploration by other parties	The data in this report is historic and was carried out by Electrolytic Zinc (EZ), Saracen, Homestake and Ross Mining
Geology	Geology is from taken from publicly available company reports
Drill hole Information	The drill hole details are given in the accompanying Table.

Criteria	Commentary
Data aggregation methods	Assay intervals are combined as a simple average, as all data are from 1 or 2m intervals
Relationship between mineralisation widths and intercept lengths	All widths quoted are downhole widths. True widths have not been estimated as the structures are not known, however holes are generally drilled at a high angle to the interpreted structure
Diagrams	Location plans are given above in the report as Figures 1 and 2. Drill sections are available in the company reports R00000411, R00006615, R00001652 and R00002775.
Balanced reporting	The intercepts quoted are the best reported from over 75 holes drilled between 1988 and 1996. As this is still an exploration project it is not yet clear whether these intercepts are representative of high-grade lodes at the project.
Other substantive exploration data	Historic exploration is detailed in publicly available reports from the Geological Survey of NSW digital system "DIGS", particularly those listed in the drilling details table.
Further work	Further exploration, including drilling, surface geochemistry and geophysics is being planned

Hole	MGA E	MGA N	RL	Az	Dip	Depth	Company	Source
CCRC1	427974	6774898	771	10	-45	100	Homestake	R00000411
HOD100	429677	6773508	875	90	-45	96.2	EZ	R00006615
HOD102	429650	6773510	880	88	-50	90	EZ	R00006615
HOD109	429699	6773531	871	165	-60	67.73	Saracen	R00001652
NLRC1	427000	6778600	800	250	-70	50	Homestake	R00000411
RSM111	429659	6773547	883	90	-50	98	Ross Mining	R00002775
RSMPQ4	429688	6773499	884	86	-70.3	100	Ross Mining	R00002775
SHRC02	428341	6776259	880	0	-90	80	Homestake	R00000411
SHRC05	428209	6776197	880	121	-45	116	Homestake	R00000411
SHRC11	428423	6776429	880	121	-45	120	Homestake	R00000411

Table of drill hole location data for holes mentioned in this report. Source refers to the report number as stored in the Geological Survey of NSW digital system "DIGS". Co-ordinates here are MGA – Zone 56: Map Grid of Australia with datum Geocentric Datum of Australia 1994. Holes were originally drilled on a local grid and have been geo-referenced using topographic information in the source reports with modern aerial and satellite data. "Az" refers to the bearing of the drill hole from MGA north.