

## ASX ANNOUNCEMENT

3 June 2022

# Agreement to Sell Juruena Gold Project for ~\$30,000,000

### Highlights

- Meteoric has executed a legally binding Agreement to sell the Juruena Gold Project in Brazil for up to US\$22,000,000 (~AUD\$30,000,000)<sup>1</sup> to Keystone Resources Ltd, a wholly-owned subsidiary of Alchemist Investments Inc., a holding group with relevant experience in developing mines globally, including Brazil.
- Consideration in staged payments:
  - US\$2,500,000 cash upon Completion;
  - US\$7,500,000 cash six months after Completion;
  - US\$10,000,000 cash twelve months after Completion; and
  - 2% gross Royalty (capped at US\$2,000,000 cash).
- Meteoric to accelerate the development of the Palm Springs Gold Project whilst seeking to maximise shareholder value through acquisition and investment in complimentary resources projects.

Meteoric Resources NL (**ASX: MEI**) ("**the Company**") is pleased to advise that it has entered into a legally binding Term Sheet ("**Agreement**") for the sale of the Juruena Gold Project in Brazil for up to US\$22,000,000.

**Managing Director, Andrew Tunks said** "We are pleased to announce the sale of our Juruena Gold Project in Brazil for up to US\$22,000,000. I am very proud of the work we have completed in firstly identifying then securing Juruena followed by our successful exploration of the Project over the past three years. During this time the team has produced some truly amazing drilling results ultimately resulting in a substantial Mineral Resource of 1.9Mt at 6.3 g/t Au for 387 Koz<sup>2</sup>. We consider this the ideal moment at which the pass Juruena to a group far better placed than ourselves to now develop the Project, allowing Meteoric to focus on what it does best, which is the identification, acquisition and advancement of projects through high quality exploration focusing on results generated at the drill bit.

<sup>1</sup> Based on AUD:US exchange rate of 1 AUD = 0.73 USD

<sup>2</sup> Refer to ASX announcement dated 15 June 2021 "Significant Increase in Juruena Resource".

The sale price of up to US\$22,000,000 means Meteoric is fully funded to accelerate its exploration programs at the Palm Springs Gold Project in WA, whilst having a substantial cash balance to actively seek complimentary investments and acquisitions.

Having delivered this result for shareholders, I feel this is the right time for me to step down from the position of Managing Director into a Non-Executive Director role. I personally would like to thank shareholders and the Board for the opportunity to lead Meteoric since 2018.”

**Meteoric Chairman Pat Burke said** “On behalf of the Board and our shareholders, I would like to thank Andrew for his excellent leadership over the past four years. Andrew is equally at home in the field and the boardroom, and is always available to shareholders and investors, a great retail MD. We will miss his leadership, but are very happy he is remaining in a non-Executive role. The Board has commenced a search for his successor to lead Meteoric’s next chapter on the back of this excellent result with the sale of Juruena.”

### **Details on the transaction**

The purchaser of the Juruena Gold Project is Keystone Resources Ltd (**Keystone**). The obligations of Keystone are guaranteed by Alchemist Investments Inc (**Alchemist**). Keystone is wholly owned by Alchemist and both are incorporated in Seychelles. Alchemist is an investment holding company comprised of institutional investors and family offices with stakeholders who have successfully led gold, iron ore, and manganese mining investments in Asia and in Brazil.

Keystone Resources' Brazilian subsidiary that will pursue the implementation of the mine development and operation is led by Top Capital Partners Investimentos and Target Latin America who possess solid experience in building and operating some of Brazil's well-known mines.

The Company has undertaken various enquires regarding the capacity of Keystone/Alchemist to perform their obligations under the agreement. This has included a review of the past investments of the companies and their principals and their ability to fund committed transactions. The Company has not come across any information to suggest that Keystone/Alchemist would not be able to discharge their obligations under the Agreement.

ASX has confirmed that Listing Rule 11.2 does not apply to the Agreement and accordingly there is no need for the Company to obtain shareholder approval for the Agreement or the sale of the Juruena Gold Project. Keystone has completed its due diligence on the Juruena Gold Project. The only outstanding condition not in the exclusive control of the Company is the need to complete an internal reorganisation of its corporate structure to facilitate the sale of the Juruena Gold Project. The Company does not anticipate any issues in this regard. Completion (and receipt of the initial US\$2.5m) is anticipated to occur in the near future and in any event before the end of August 2022.

A summary of the key terms of the Agreement is annexed to this announcement.

### **Palm Springs Gold Project Update**

The Palm Springs field team has now mobilised to site and will commence work with field reconnaissance and geophysics. An Induced Polarisation (IP) survey will commence shortly over selected targets at Butchers Creek north and west, Golden Crown, and Halls Gully. Eight (8) lines are planned for approximately 5 line kilometres. The characteristics of mineralisation at Butchers Creek and Golden Crown (with up to 10% sulphides) makes IP an ideal tool for exploring for additional

lodes/lenses. We anticipate the IP survey will refine our drill planning at Golden Crown where we believe there are opportunities to grow the current resource while also generating new targets, that have never been tested by drilling, to the north and west of the historic Butchers Creek open pit.

Final optimisation models for a range of mining scenarios at Butchers Creek have been put on hold pending the results of the 2022 exploration season including the IP and drilling which are likely to have a significant impact on the Global Resource and therefore results of the scoping study.

**For further information, please contact:**

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*The information in this announcement that relates to mineral resource estimates and exploration results is based on information reviewed, collated and fairly represented by Mr Peter Sheehan who is a Member of the Australasian Institute of Mining and Metallurgy and a consultant to Meteoric Resources NL. Mr Sheehan has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which has been 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. Mr Sheehan consents to the inclusion in this report of the matters based on this information in the form and context in which it appears. Additionally, Mr Sheehan confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.*

## Annexure: Summary Acquisition Terms

Under a binding agreement dated 31 May 2022, Keystone Resources Ltd (**Keystone**) has agreed to acquire the Juruena Gold Project from the Company on the terms summarised below (**Agreement**).

Keystone will acquire the Juruena Gold Project for consideration comprised as follows:

- (a) cash of US\$20 million; and
- (b) a gross royalty of 2% on all minerals produced from the Juruena Gold Project, capped at US\$2 million

The cash purchase price of US\$20 million is payable in tranches, with US\$2.5 million payable on at settlement, US\$7.5 million payable 6 months later and the final instalment of US\$10 million payable 12 months after settlement.

Alchemist Investments Inc (**Alchemist**) has agreed to guarantee the performance of Keystone under the Agreement.

The Agreement is only subject to the following outstanding conditions:

- (a) the Company undertaking a re-organisation such that:
  - (i) Keystone will acquire the Juruena Gold Project via the acquisition of Sunny Skies Pty Ltd (an existing wholly owned subsidiary of the Company) (**Sunny Skies**) that will in turn hold the Brazilian entities that own the Juruena Gold Project; and
  - (ii) neither Sunny Skies nor any other of the entities that sit between Sunny Skies and the Juruena Gold Project have any indebtedness to the Company;
- (b) at the election of the Company, a formal guarantee agreement being entered into with Alchemist; and
- (c) at the election of the Company, a formal royalty agreement being entered into with Keystone.

Unless waived, the above conditions must be satisfied by 31 August 2022, or such later date as the parties may agree.

The Agreement otherwise contains terms (including representations and warranties) usual for an agreement of this nature including obligations on the Company to maintain the Juruena Gold Project in good standing pending settlement.