

## **Todd River Acquires Rights to Promising New Nickel Sulphide Exploration Terrain at the Nanutarra Nickel Project, WA**

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### **Key Points:**

- **12-month Option to evaluate magmatic sulphide potential of an under-explored ultramafic intrusive complex at the Nanutarra Project.**
- **Geological setting prospective for intrusion-hosted Nickel-Copper-PGE sulphides.**
- **Upon exercise of the Option, TRM can earn an 80% interest in granted Exploration Licence E08/9242 by expending A\$2 million over 3 years.**
- **Application submitted for EIS Government co-funded Exploration Drilling program.**

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Todd River Resources Limited (**ASX: TRT**) (**TRT** or the **Company**) is pleased to advise that its wholly-owned subsidiary, Todd River Metals Pty Ltd (**TRM**), has entered into an Option to Farm-in Agreement (**Farm-in Agreement**) over Exploration Licence E08/9242. The Farm-in Agreement also provides for a potential mining joint venture to be formed once TRM has acquired an 80% interest in the tenement.

The key terms of the Farm-in Agreement are set out below.

The tenement, which the Company believes is prospective for mafic-hosted nickel sulphide mineralisation, is part of the Nanutarra Project, located approximately 30km west of the Nanutarra Roadhouse in the Western Gascoyne region of Western Australia (see Figure 1), and has been subject to limited previous exploration.

Geologically the Project covers a significant mafic-ultramafic complex that covers an area of approximately 9km<sup>2</sup> and is partly exposed through sands and younger cover rocks. The high MgO rocks sub-crop a silica-cap rubble and the complex internal geometry of the intrusion suggests that it is a prospective environment for intrusion-hosted nickel-copper-PGE sulphides.

The Company plans to reprocess and review the existing geophysical data and carry out a thorough Reverse-Circulation (“RC”) drilling program on the Project to test for the presence of mineralised sulphides associated with electro-magnetic (“EM”) conductors or previously indicated from shallow drilling.

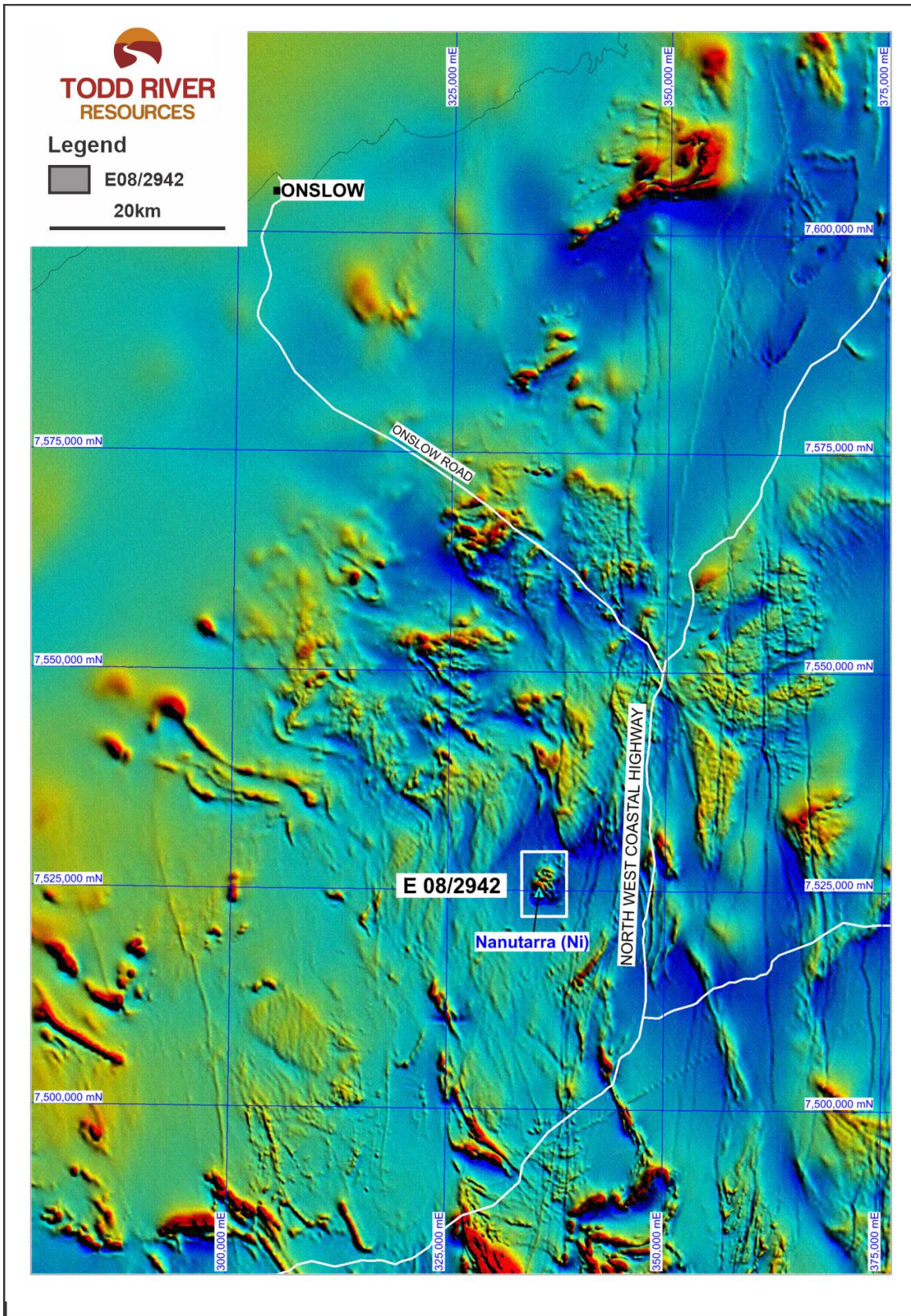


Figure 1 – Location of the Nanutarra Nickel Project over GSWA 80m TMA



Todd River Managing Director Will Dix said the addition of a further base metal project into the Company's exploration portfolio reinforces its commitment to base metals and also its ability to be flexible from both a location and commodity point of view.

*"We are delighted that we have been able to move quickly to lock down this exciting nickel opportunity for the Company. With our in-house knowledge and expertise in nickel exploration, we believe we will be able to effectively and efficiently explore the Project to maximise the opportunity it presents."*

*"We have applied for co-funding through the Geological Survey of Western Australia's EIS Government Co-Funded Exploration Drilling Program and we hope that will assist us in fast tracking drilling on the project."*

## **Key Terms of the Farm-in Agreement**

### *Option and joint venture*

The Tenement Option has been granted for an exclusive 12-month period over E08/9242, currently held by private group Cratonix Pty Ltd (**Cratonix**). On exercise of the Tenement Option TRM can earn an 80% interest in the tenement by spending A\$2,000,000 on exploration costs on the tenement over an exclusive 3 year earn-in period.

During the 12-month option period TRM must meet minimum expenditure requirements for the tenement and if TRM ultimately exercises the Tenement Option, this expenditure will contribute towards TRM's earning obligations under the Farm-in Agreement. If TRM does not exercise the Tenement Option during the 12-month option period, the Farm-in Agreement will immediately terminate.

If TRM earns an 80% interest in the tenement, TRM and Cratonix will form a joint venture and Cratonix's 20% interest will be free carried by TRM to a decision to mine.

If a decision to mine is made by the parties, Cratonix may elect to contribute to and pay its 20% participating interest share of all joint venture costs, or convert its interest into a royalty of 1.50% of the net profit derived by TRM in respect of mining operations carried out on the tenement area. Pre-emptive rights will apply if the parties wish to assign their participating interest in the joint venture.

If requested by either TRM or Cratonix, the parties must use their best endeavours to negotiate and execute a formal exploration joint venture agreement governing the joint venture but until such time, the terms of the Farm-in Agreement are binding on the parties in relation to the joint venture.

### *Consideration*

The consideration payable to Cratonix for entry into the Farm-in Agreement and the grant of the Tenement Option to TRM is \$10,000 in cash and, subject to shareholder approval, fully paid ordinary shares in the Company to the value of \$25,000 based on an issue price equal to the 5-day volume weighted average market price of shares immediately preceding the date that all conditions precedent under the Farm-in Agreement (see below) are satisfied (**Execution Shares**). The Farm-in Agreement provides that if the issue price for the





Execution Shares is calculated as being \$0.03 or less, the issue price for the Execution Shares will be \$0.03 per share, which means that the maximum number of shares that may be issued to Cratonix for entry into the Farm-in Agreement and the grant of the Tenement Option is 833,333 Execution Shares.

The Company will seek shareholder approval for the issue of the Execution Shares at its Annual General Meeting to be held in November.

The consideration payable to Cratonix on exercise of the Tenement Option is the issue to Cratonix (subject to shareholder approval) of further fully paid ordinary shares in TRT to the value of \$25,000 at an issue price equivalent to 80% of the 5-day volume weighted average market price of TRT shares before the day on which the issue is made (**Option Shares**). The Company will seek shareholder approval for the issue of the Option Shares in due course as the Company has a 3-year period to exercise the Tenement Option.

If TRM exercises the Tenement Option but shareholder approval for the issue of the Option Shares is not obtained, TRM may instead elect to pay the sum of A\$25,000 to Cratonix in lieu of the Company issuing the Option Shares. If such election is not made, TRM will forfeit its right to acquire an 80% interest in the tenement and the Farm-in Agreement will terminate.

S2 Resources Ltd (ASX: S2R), which has rights to participate in certain future share and other equity security issues in the Company (see the Company's ASX announcement dated 22 November 2018), has agreed to waive those rights in relation to the issue of the Execution Shares and the Option Shares to Cratonix under the Farm-in Agreement.

#### *Conditions Precedent*

The Farm-in Agreement is conditional on the Minister of the State of Western Australia responsible for administering the *Mining Act 1978* (WA) consenting to the Farm-in Agreement (due to the tenement being within its first year of grant) and the Company's shareholders approving the issue of the Execution Shares to Cratonix for the purposes of ASX Listing Rule 7.1. Shareholder approval for the issue of the Option Shares is not a condition precedent to the Farm-in Agreement and will be sought by the Company in due course.

**Will Dix**  
**Managing Director – Todd River Resources**

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## **About Todd River Resources**

Todd River Resources (ASX: TRT) is an Australian-based resources company that has recently announced a maiden zinc-copper Mineral Resource estimate at Hendrix, within its 100% owned Mt Hardy Project, located 300km north west of Alice Springs.

With a strong management team and tight capital structure, Todd River is well placed to pursue additional base metal mineralisation at Mt Hardy and progress exploration activities across its exploration portfolio.

While Todd River's main focus is at Mt Hardy, the Company holds an extensive precious and base metal project portfolio which includes the Rover gold project, the McArthur Copper-Zinc project and the large Manbarrum Zinc resource as well as pending applications in the Petermann Range.