TEM | Tempest to Acquire Large-Scale Fraser Range Gold Project

Key Points

- TEM to acquire compelling Fraser Range gold Project
- Elephant Project has large exploration ready geophysical and geochemical targets
- Anomaly footprint comparable to other world class deposits in the region
- Deal structure includes cash, scrip and expenditure commitment for 80%

Summary

Tempest Minerals Ltd (TEM) is pleased to announce the acquisition of an exciting new project. The Elephant Project is a large-scale exploration target located on the periphery of the Albany Fraser Belt in Western Australia. The Elephant Project has exciting coincident geochemical and geophysical targets with a footprint comparable to other world class gold deposits in the region. TEM will make an initial payment to acquire 80% of Lusture Pty Ltd, which owns the Elephant Project, and will agree to incur exploration expenditure to maintain its interest.

Elephant Project

Background

The Elephant Project comprises 194km^2 (135km^2 granted - 59km^2 application) of highly prospective exploration leases. The location on the edge of a geological block with (the suture between the Yilgarn and Albany-Fraser) is a favourable location for major discoveries as evidenced by the presence of multiple world class deposits in similar environments along this trend.

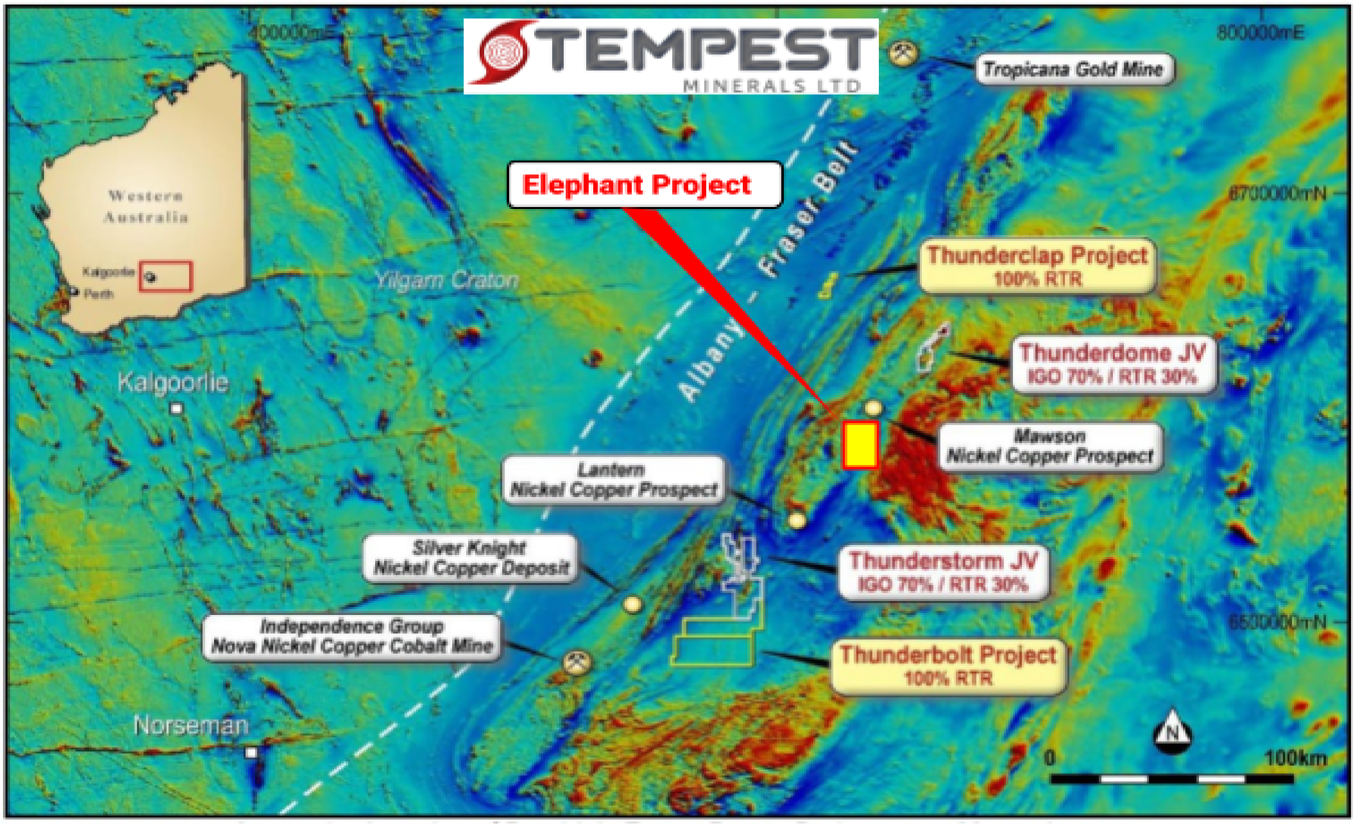

Figure 01: Project Location within regional exploration context

The Fraser Range / Albany Fraser region of Western Australia was previously a relatively poorly explored region prior to the discovery of the multi-million ounce Tropicana Gold Mine in ~2004 (now AngloAshanti/Regis) [1] and subsequently the Nickel/Copper/Cobalt Nova Bollinger Deposit by Sirius Resources (now IGO Ltd) in 2012 [2].

New geological work over the last decade as a result of these discoveries have facilitated numerous new exploration target models for explorers including the understanding of multiple mineralising events during geological time [3] and resulted in major industry players now having made the region a major exploration destination in Western Australia. This prevalent exploration footprint now highlights the opportunity for more potential discoveries in the province in multiple commodities including gold.

As such, the area was previously operated by other explorers such as Buxton and BHP, however, under the auspices of different geological models and prior to more recent understanding of the region. [4]

The project was pegged primarily due to a strong geophysical anomaly and coincident geochemical data from nearby previous exploration. The large scale and nature of the anomaly bear similarities to other world class deposits in the regions such as Tropicana of which Tropicana peak soil was 31ppb with 0-15m cover [5] while the Elephant Target is 5-10pbb with 100-150m of cover.

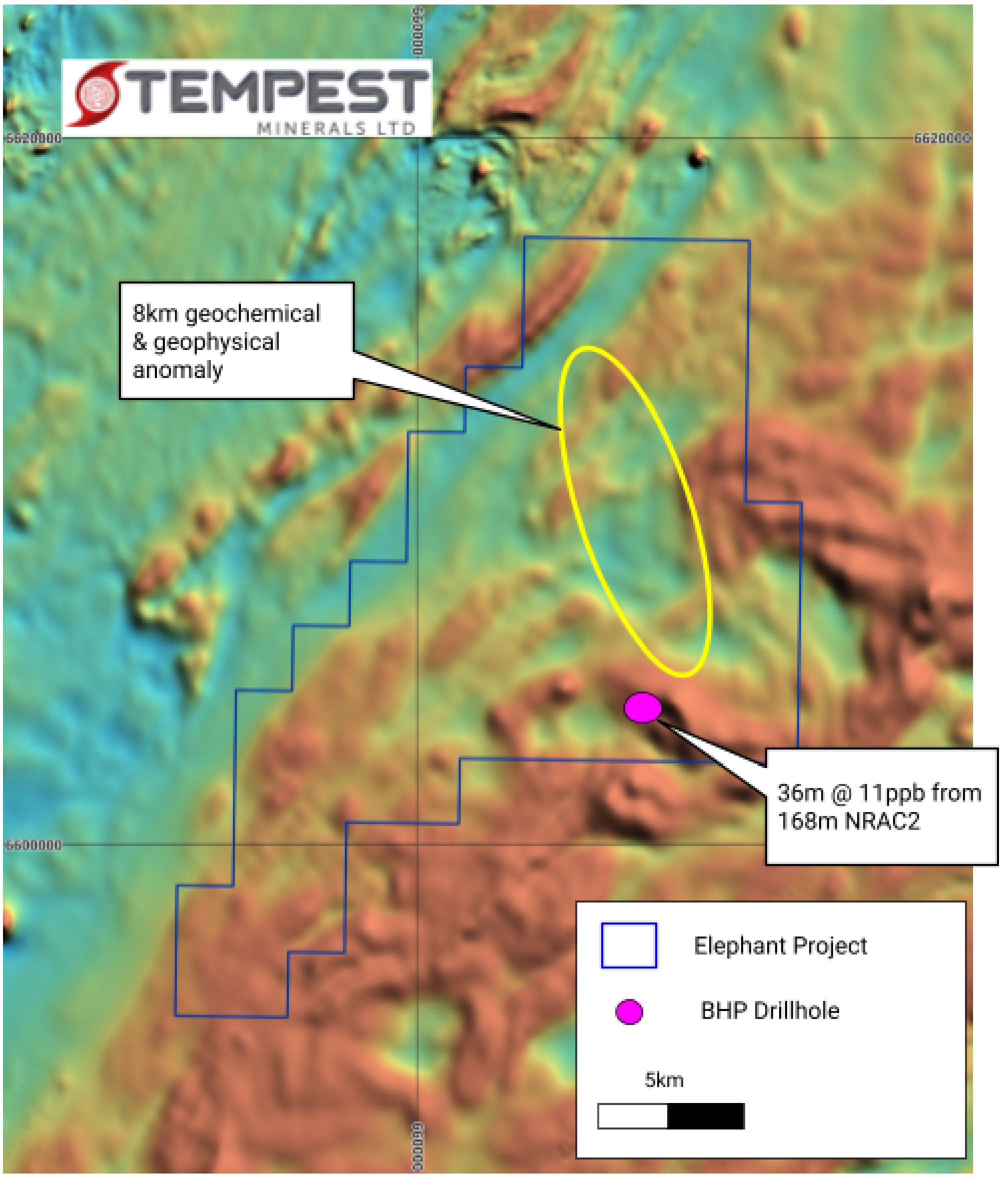

Figure 02: Elephant Project with geophysics and historic gold bearing drillhole

Acquisition Information

The non-binding term sheet outlines that TEM will purchase the project from MAC3 Pty Ltd (MAC3) who holds 100% of the issued capital of Lusture Pty Ltd (Lusture), which in turn has a 100% interest in the Elephant Project. MAC 3 (or its nominees) are not related parties of TEM.

Under the Agreement, TEM has the right to earn 80% of Lusture.

The Agreement is subject to:

- a due diligence period expiring on 31 August 2023, where TEM has the right to complete legal, financial and technical due diligence in relation to the Elephant Project and Lusture to TEM's satisfaction.
- Upon completion of the due diligence period, TEM will pay $31,000 cash and issue to MAC3 (or its nominee) $69,000 in fully paid ordinary shares (pursuant to TEM's existing placement capacity under Listing Rule 7.1, to be issued at a price equal to the average of the daily VWAP of TEM Shares for the thirty trading days prior to Completion for 80% of Lusture.
- To maintain its 80% interest in Lusture, TEM has agreed to incur $500,000 of exploration expenditure over a period of 3 years.
- Upon identification of an aggregate minimum of 250,000 ounces of gold equivalent of not less than JORC (indicated) category on the Elephant Project within 5 years, TEM will issue as further consideration 30 million fully paid ordinary shares, which will be subject to TEM obtaining corporate and regulatory approvals.
- MAC3 will retain 20% of Lusture and will be free carried until a decision to mine is made.
- TEM will be responsible for maintaining the tenements in good standing as defined by the West Australian mining act and sole funding of all tenement expenditure until a decision to mine is made..

Next Steps

- Completion of conditions precedent
- Completion of share purchase agreement (expected late Q3 2023)
- Commencement of exploration

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.

Investor Information

investorhub.tempestminerals.com

TEM welcomes direct engagement and encourages shareholders and interested parties to visit the TEM Investor hub which provides additional background information, videos and a forum for stakeholders to communicate with each other and with the company.

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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 AusIMM, AIG and GSA 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. AngloGoldAshanti Website (Visited 14 August 2023)
2. IGO Website (Visited 14 August 2023)
3. Olierook H et al (2020) Resolving multiple geological events using in situ Rb–Sr geochronology: implications for metallogenesis at Tropicana, Western Australia
4. Wamex Reports A0060607, A081538, A091453
5. BIERLEIN F.P. and KNOX-ROBINSON C.M., (editors), 2007. Proceedings of Geoconferences (WA) Inc. Kalgoorlie ’07 Conference, 25-27 September 2007, Kalgoorlie, Western Australia. Geoscience Australia Record 2007/14, 249p.