GoldArc

Strategic Letter of Intent Signed with MMS to Unlock Value at Leonora South

Highlights

- **Letter of Intent signed with Mineral Mining Services Pty Ltd, a specialist turn-key mining contractor, to accelerate the pathway to production at the Leonora South Gold Project.**
- **Proposed Joint Venture provides a low-capital pathway to commercialise the existing Orion and Sapphire gold resources.**
- **MMS will fund and manage all development, with profits to be shared 50/50, after MMS costs are recovered.**
- **Drill-For-Equity proposal aligns both parties, allowing up to 50% of drilling costs (capped at an equity amount of $500,000), preserving cash for exploration.**
- **Strategic move allows GoldArc to unlock value from its existing mineral resources while focusing efforts on the larger, high-priority exploration opportunities across its portfolio.**
- **The parties have entered into a binding 90-day exclusivity period to negotiate and execute definitive, binding agreements.**

GoldArc Resources Limited (ASX:GA8) ('GoldArc' or 'the Company') is pleased to announce it has executed a non-binding Letter of Intent ('LOI') with Mineral Mining Services Pty Ltd ('MMS') for a proposed Drill-For-Equity Agreement and a Mine Development Joint Venture ('JV') Agreement over the Company's 100% owned Leonora South Gold Project ('Leonora South' or 'Project'), Western Australia.

This strategic partnership is intended to provide a clear, low-capital, and expedited route to production for the Project's existing gold resources at the Orion and Sapphire prospects (see Table 1).

Leonora South - Orion	Inferred	370,000	2.2	26,409
Leonora South - Sapphire	Inferred	320,000	2.1	21,605

Table 1: *Existing JORC 2012 Resources at Leonora South Gold Project*

GoldArc Resources Managing Director, Paul Stephen commented: *"We are delighted to partner with a group of MMS's calibre and experience. This is a smart, strategic move for GoldArc that creates a potential clear pathway to realising value from our existing resources at Leonora South at a time of record gold prices.*

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The proposed JV structure is a highly efficient, low-capital solution that enables us to bring forward potential cash flow without significant shareholder dilution. It allows MMS to do what they do best – develop and operate mines – while freeing up GoldArcs financial and technical resources to focus on our main objective: making major new discoveries through high-impact exploration across the rest of our portfolio. We look forward to finalising the definitive agreements, and commencing the initial infill drill program subsequent to this."

Mineral Mining Services Chief Development Officer, Emma Edwards commented: *"We're excited to be partnering with GoldArc at Leonora South. It's a quality Project in a proven gold district and a great opportunity to build something meaningful together. This marks the start of what we hope will be a long and successful collaboration, and our team looks forward to working with GoldArc to help bring the project into production".*

The decision to pursue this partnership with MMS is a strategic one, driven by a desire to unlock the value of our Orion and Sapphire resources in a timely manner and capitalise on the current gold price environment.

The proposed JV structure provides a prudent, low-capital pathway to potential production and non-dilutive future cash flow, which the Company sees as attractive given the known processing constraints for third-party ore in the region.

Critically, this arrangement potentially allows GoldArc to commercialise its existing assets without distracting from our core strategy by ensuring efficient allocation of capital and technical resources towards the discovery of larger-scale gold systems through aggressive exploration across the wider Leonora Gold Project areas.

The LOI outlines the preliminary commercial terms for the two key agreements, which will be governed by definitive legal agreements to be negotiated during a 90-day binding exclusivity period (which applies to the proposed agreements in respect of the Project area only). The commercial terms of the LOI (including the proposed Drill-For-Equity Agreement and JV) remain non-binding and indicative until definitive agreements are executed. The LOI is otherwise on terms customary for a document of this nature.

Mine Development Joint Venture (JV) Proposal

Subject to entry into a definitive agreement for the JV, the proposed JV is structured to fast-track the commercialisation of gold mineralisation within the Leonora South project area.

Under the proposed agreement, MMS will be responsible for funding and managing all aspects required for commercialisation, including heritage, environment, resource development, permitting, mine planning, and operational services. MMS will fund 100% of the development costs and will recover these costs from the first cash flows generated by the project. Following the full recovery of its development costs, MMS and GoldArc will share all subsequent project profits on a 50:50 basis.

Subject to the execution of the Mine Development JV agreement, MMS will be issued 7.5 million listed options (GA8OC) exercisable at $0.04 each expiring 30 June 2028.

Drill-For-Equity Proposal

Subject to entry into a definitive agreement, to align interests and preserve GoldArc's cash reserves for discovery-focused exploration, the parties have agreed to a proposed drill-for-equity arrangement with the following key terms:

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- **Funding Structure:** Drilling costs are to be settled 50% in cash and 50% in fully paid ordinary GA8 shares, at the Company's election and upon the receipt of a valid invoice from MMS. The Company retains discretion to pay a higher proportion in cash for any invoice.

- **Equity Issue:** The total value of any shares issued to MMS shall not exceed A$500,000 and is conditional on GoldArc shareholder approval under ASX Listing Rule 7.1, which must be obtained at the next scheduled shareholder meeting after the relevant invoice date (with any shares to be issued within three months of that meeting). If such approval is not obtained within three months of the invoice date, the obligation to issue shares will instead be settled by a cash payment (plus 10% interest for delay in payment). Shares will be issued at the lower of a 10% discount to the last closing price or the 10-day Volume Weighted Average Price (VWAP) prior to the relevant invoice date. All shares issued to MMS will be subject to a three-month voluntary escrow period from their date of issue.

The drill-for-equity and JV proposals are subject to further negotiation and the execution of binding agreements between the parties. There is no guarantee the definitive agreements will be entered into and accordingly there is a risk that the proposals may not be implemented. The Company will update the market in accordance with its continuous disclosure obligations.

Next Steps

The key objectives over the coming quarter are:

- **Finalise definitive agreements:** The parties will work in good faith and use reasonable endeavours to negotiate and execute the definitive Drill-For-Equity Agreement within 30-days and the Mine Development JV Agreement within 90-days, during the exclusivity period.

- **Infill Drilling Program:** Upon completion of the agreements, an infill drilling program is planned for the Orion and Sapphire deposits to increase the geological confidence in the current resources ahead of mine planning.

- **Exploration Program Planning:** Planning is underway for a broader exploration program at Leonora South to test several high-priority targets. Drilling is expected to commence towards the end of October 2025.

About Mineral Mining Services Pty Ltd (MMS)

Mineral Mining Services Pty Ltd is a privately owned, West Australian-based mining services contractor with extensive experience in the Goldfields region. MMS provides a comprehensive suite of services spanning the full project development lifecycle, including exploration and resource definition drilling, mine planning, operational management, and commercialisation services.

This announcement has been authorised for release by the Board of Directors.

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Forward Looking Statements Disclaimer

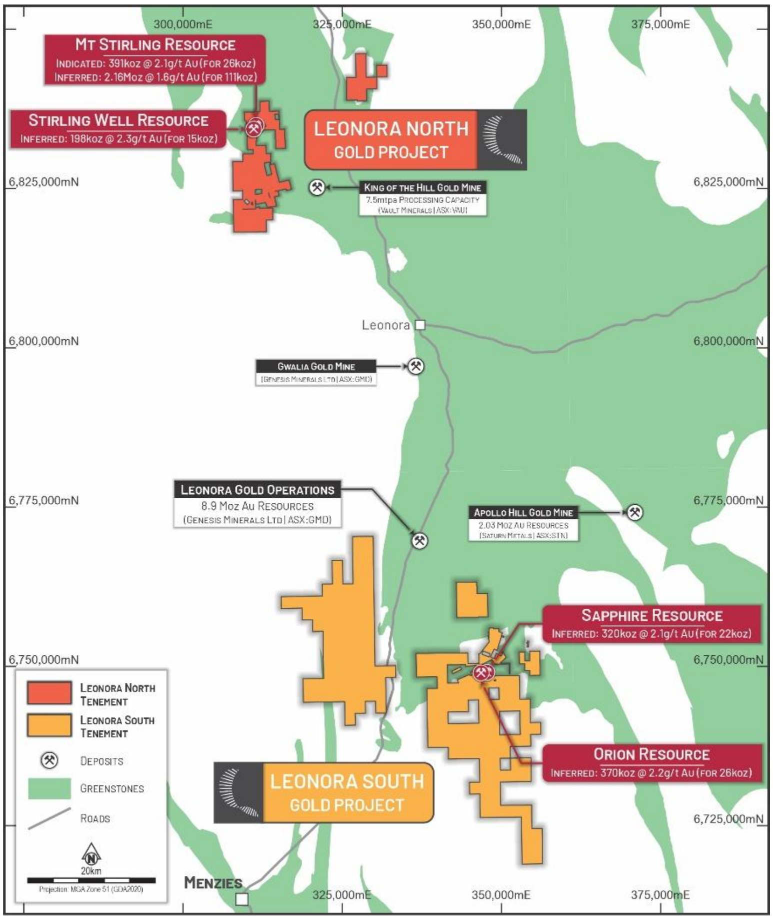
This announcement contains certain "forward-looking statements" and comments about future matters. Forward-looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend", "should", "estimate", "target", "outlook", and other similar expressions and include, but are not limited to, indications of, and guidance or outlook on, future events, agreeing and entering into definitive agreements, project and growth opportunities, production, resource growth and discovery, exploration activities, drilling programs or the financial position or performance of the Company. You are cautioned not to place undue reliance on forward-looking statements. Any such statements, opinions and estimates in this release speak only as of the date hereof, are preliminary views and are based on assumptions and contingencies subject to change without notice. Forward-looking statements are provided as a general guide only. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. Any such forward-looking statement also inherently involves known and unknown risks, uncertainties and other factors and may involve significant elements of subjective judgement and assumptions that may cause actual results, performance and achievements to differ. Except as required by law the Company undertakes no obligation to finalise, check, supplement, revise or update forward-looking statements in the future, regardless of whether new information, future events or results or other factors affect the information contained in this announcement.

Competent Persons Statement

The information in this announcement that relates to the Orion-Sapphire Mineral Resources is contained in the ASX announcement released on 28 May 2024. The information in this announcement that relates to the gold Mineral Resources for the Mt Stirling Project is contained in the ASX announcements released on 25 February 2019, 29 January 2020 and 5 September 2022. The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant market announcements, and that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed. that the Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original announcements.

About GoldArc Resources

GoldArc Resources Limited (ASX:GA8) is a Western Australian focused mineral exploration company with a portfolio of highly prospective gold projects located in the world-class Leonora and Kookynie districts of the Eastern Goldfields. GoldArc's strategy is focused on growing its existing 200,000oz JORC resource base and making new, large-scale discoveries through a disciplined and systematic approach to exploration.



GoldArc Resources Total JORC Mineral Resources

GoldArc Gold Projects	Category	Tonnes	Gold Grade (g/t Au)	Gold Ounces
Leonora North – Mt Stirling	Indicated	391,000	2.1	26,000
	Inferred	2,158,000	1.6	111,000
Leonora North – Stirling Well	Inferred	198,000	2.3	15,000
Leonora South - Orion	Inferred	370,000	2.2	26,409
Leonora South - Sapphire	Inferred	320,000	2.1	21,605
Total		**3,437,000**	**1.82**	**200,064**

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