



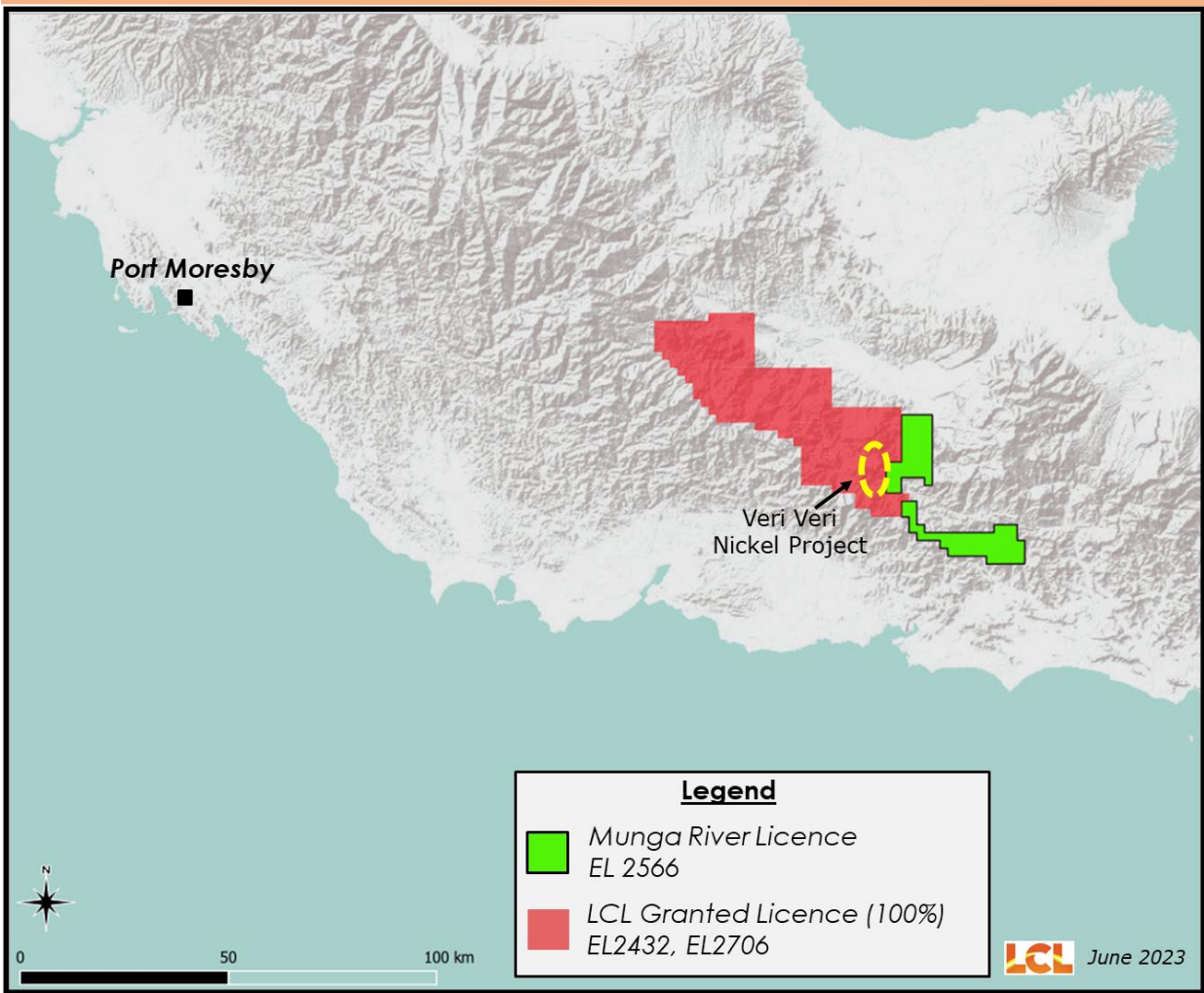
## Acquisition expands Veri Veri Nickel Project (PNG)

LCL Resources Ltd (**ASX: LCL**) (**LCL or the Company**) advises that it has executed a binding Tenement Sales Agreement (**Agreement**) with Munga River Limited (**Munga**), a private PNG exploration company, to acquire 100% ownership of EL2566 (Figure 1) adjoining the Company's Veri Veri Nickel Project to the east.

The Agreement is subject to renewal of EL2566 and transfer of title to LCL. The application for renewal is currently with the relevant authorities. Key elements of the transaction include:

1. Issue of 6,700,617 fully paid LCL ordinary shares to Munga on completion of the transfer of EL2566 to LCL.
2. Grant of a 2% NSR (**Royalty**) to Munga on minerals extracted from EL2566. LCL has the right to purchase the Royalty for a cash payment of AUD\$5M at any time.
3. Finders' fees comprise a non-refundable payment of AUD\$5k to a shareholder of Munga (**Finder**); and a further payment of AUD\$20k and the issue of 1,340,123 fully paid LCL ordinary shares to the Finder on completion of the transfer of EL2566 to LCL.
4. LCL may withdraw from the Agreement if completion does not occur within 6 months of signing.

EL2566 consists of two areas for a total of 303km<sup>2</sup>, both contiguous with LCL's EL2706 which hosts the Company's Veri Veri Nickel Project (Figure 1). At a regional scale, the northern area of EL2566 hosts dunite lithologies of the Papuan Ultramafic Belt of southern PNG and is considered to have potential to host nickel mineralisation. The southern region of EL2566 is considered prospective for copper and gold mineralisation. The Company has commenced a detailed review of historical data associated with EL2566 and will subsequently provide further details of targets and prospectivity.



**Figure 1:** The Munga tenement area is contiguous with LCL's EL2706 which hosts the Veri Veri Nickel Project.

For the purpose of ASX Listing Rule 15.5, the Board has authorised this announcement to be released.

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