



Rio Tinto to Farm-in to the Ono Project

Exploration to target porphyry copper-gold discoveries

LCL Resources Limited (ASX:LCL) (**LCL** or the **Company**) is pleased to advise that it has executed a binding earn-in and joint venture agreement (**Farm-in Agreement**) with Rio Tinto Exploration (PNG) Limited (**Rio Tinto**), for Rio Tinto to earn-in to the Company's Ono Project in Papua New Guinea (**PNG**).

Highlights:

- Rio Tinto to make total cash payments of up to A\$1.5 million to LCL, payable in stages linked to defined milestones.
- Rio Tinto may earn an initial 51% interest in the Ono Project by sole funding a minimum of A\$8 million in exploration expenditure which must include at least 4,000 metres of drilling.
- Rio Tinto may increase its interest in the Ono Project to 80% by sole funding further exploration expenditure of A\$40 million or defining a JORC-compliant Mineral Resource of at least 1,250,000 tonnes of contained metals on a copper-equivalent basis and completing a Scoping Study on such Mineral Resource.
- The transaction provides substantial exploration funding, validating the prospectivity of the Ono Project following recent high-grade gold and silver results¹.

Executive Chairman Chris van Wijk commented:

"This transaction is a transformational step for LCL. Partnering with Rio Tinto brings world-class exploration capability and substantial funding to the Ono Project, enabling a level of exploration activity that would not otherwise be possible for a company of our size. Importantly, the structure allows LCL shareholders to retain significant exposure to exploration success and any potential discoveries funded by Rio Tinto. We look forward to watching the Ono Project develop alongside one of the world's leading miners."

¹ ASX Announcement 25th February 2026

Background

The Company has been collaborating with Rio Tinto for over a year on regional fertility and prospectivity of the Company's tenements in PNG, a process which has ultimately resulted in this Farm-in Agreement. Rio Tinto has been actively exploring for copper porphyries in PNG for many years and has accumulated an extensive database with which they assess regional opportunities.

The Ono Project has many features in common with recognised copper porphyry systems in PNG. The existing gold skarn resource at Ono², combined with high-grade base metal concentrations in the lower limestone unit, provides important proof of concept that there is potential for a larger copper porphyry exploration target within the Project area. The copper porphyry prospectivity, with significant areas of the Project area having had very limited exploration, has attracted the interest of Rio Tinto to the Ono Project.

Ono Project Prospectivity and Key Features

The Ono Project is located in southern PNG, around 150 km south of the port of Lae. The Project is situated in the Owen Stanley Metamorphic Belt – the same belt that hosts the Hidden Valley gold mine and the Wafi-Golpu copper/gold project (**Figure 1**).

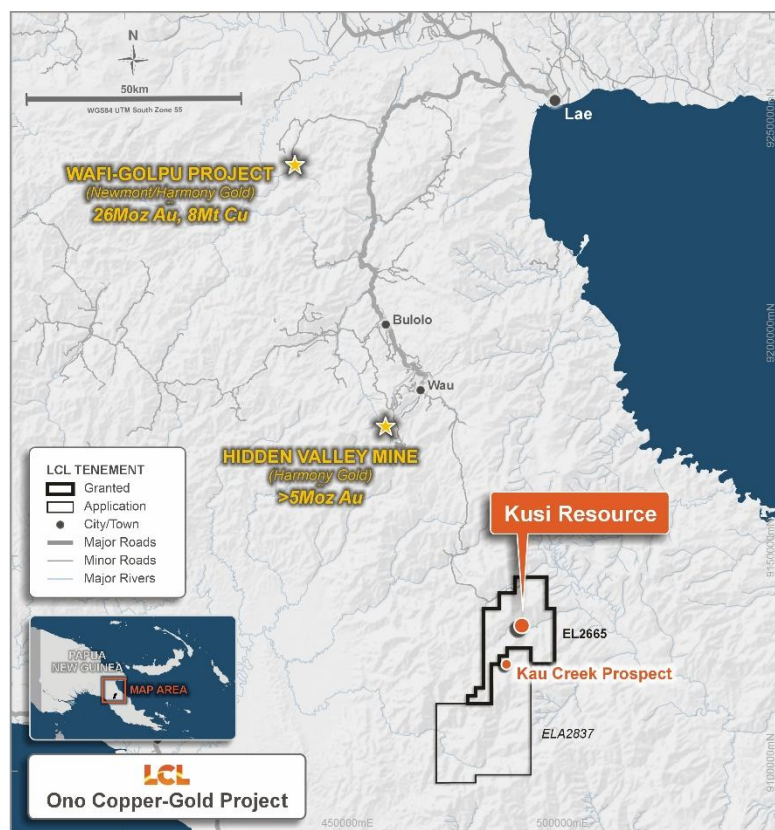


Figure 1 - Location of the Ono Project, PNG.

² ASX Announcement 20th February 2025

The Ono Project (**Project**) consists of 2 Tenements; a single granted license EL2665 which contains the Kusi Gold skarn resource (**18Mt at 1.42g/t Au for 831koz³**) and the contiguous Kau Creek application (**ELA2837**). The Projects are part of the Company's larger PNG portfolio of 10 exploration licenses and applications (See Appendix 2).

The Project has several compelling features that demonstrate its prospectivity for hosting a major deposit⁴:

1. **Location on a cross-arc lineament** - these cross-arc features are considered important as they are interpreted to be very deep penetrating structures, that provide a focal point for ascending magma to pass from the deep crust into the shallow crust. These magmas are the source of metals in copper porphyry and associated hydrothermal ore deposits (e.g. Cu-Au skarns, epithermal Au) (See **Figure 2** below for the magnetic image highlighting the position of the cross-arc structure in relation to the licences).

³ ASX Announcement 20th February 2025

⁴ ASX Announcement 25th November 2022

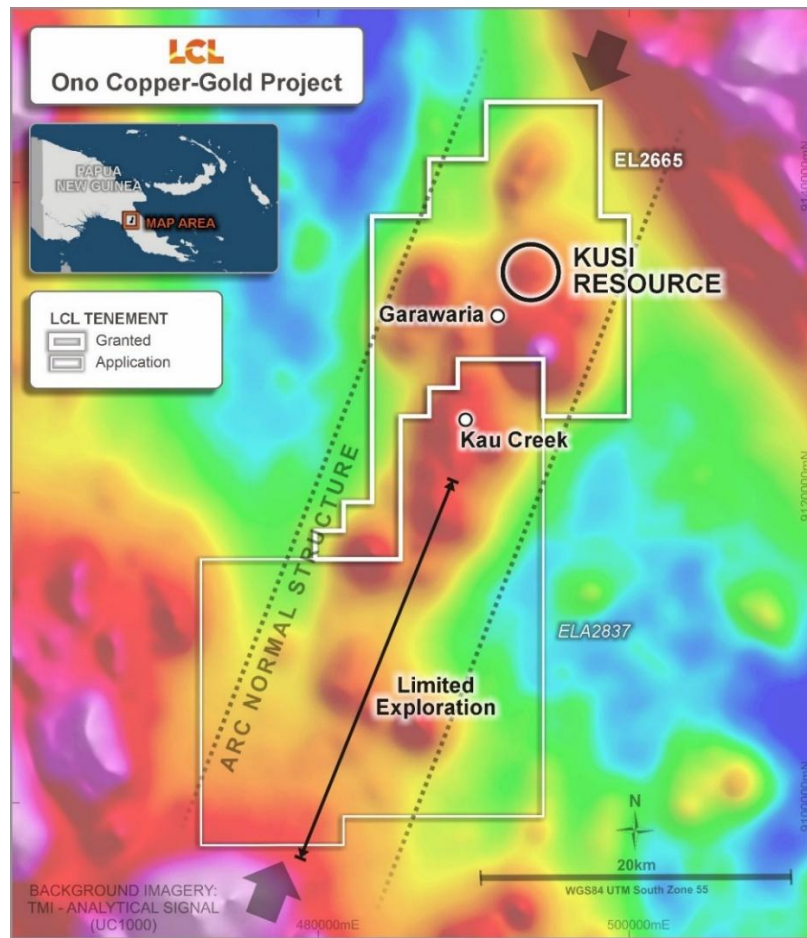


Figure 2 - Total Magnetic Intensity image (Analytical Signal) showing cross-arc structure and associated magnetic intrusive bodies.

2. **Geophysics suggests a series of magnetic intrusives** - these magnetic intrusives have been drilled at Kusi and outcrop at several prospects along strike and only within the bounds of the lineament. They are visible as anomalies within the trend because the regional host rocks in this section of the belt consist of metasediments which are largely non-magnetic.
3. **Intrusives are of similar age to known mineralisation events**- the intrusions in the Ono trend are Pliocene/Pleistocene in age which corresponds to the age of both Ok Tedi and Grasberg intrusive complexes.
4. **Geological setting is considered similar to Grasberg** - the skarn deposits at the Grasberg mine (Ertsberg and Kucing Liar) are hosted in limestone units, similar to the mineralisation defined at Kusi, where an intrusion has been emplaced into reactive limestone units and is thought to be associated with the mineralisation at Kusi.
5. **Known mineralisation at Kusi** - Mineralisation in both the lower and upper limestone units at Kusi provides an important proof of concept that the intrusions within the trend are fertile and able to liberate metals at potentially economic concentrations. Other

prospects along strike with known mineralisation at surface occur at Kau Creek (**Figure 2**), demonstrating a fertile strike length of at least 20km.

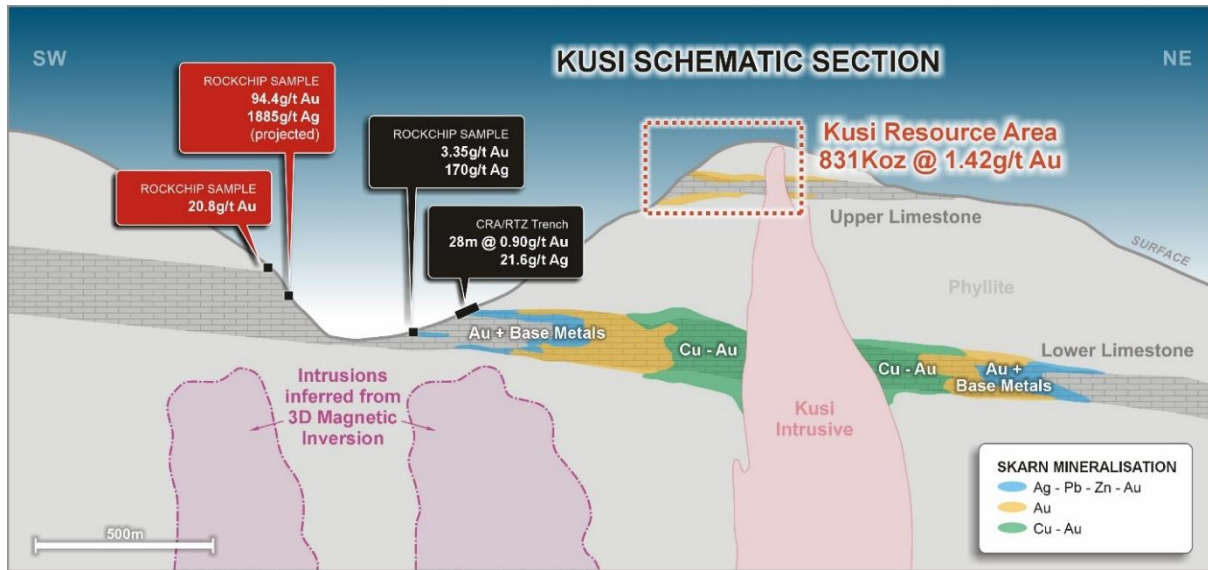


Figure 3 - Conceptual cross-section at Kusi showing intrusions into limestone units which host mineralisation.

Importantly, the two licences held by LCL effectively cover the majority of the interpreted cross-arc structure; to the north-east the structure passes under the Papuan Ultramafic Complex, a slab of seafloor which has been thrust onto the Papuan continent and to the south-west the structure extends into younger age volcanic rocks.

Summary of Key Farm-in Agreement Terms

Cash Payments to LCL

Under the Farm-in Agreement, Rio Tinto is to make staged cash payments to LCL, based on achieving various project milestones, totalling up to A\$1.5 million, as follows⁵:

- **A\$150,000** within 30 days of execution of the Farm-in Agreement;
- **A\$200,000** on grant of the ELA2837 (Kau Creek) exploration licence;
- **A\$250,000** following expiry of the Minimum Commitment Period (see below);
- **A\$250,000** on completion of 500 metres of drilling on the Project;
- **A\$250,000** on the third anniversary of the ELA2837 grant;
- **A\$250,000** on the fourth anniversary of the ELA2837 grant; and

⁵ See Appendix 1 for other key terms of the Farm-In Agreement

- **A\$150,000** upon Rio Tinto completing the Initial Earn-In (51%) and electing to sole fund further exploration.

Earn-In Structure

Initial Earn-In

The Farm-in Agreement covers Exploration Licence **EL2665** (Ono) and Exploration Licence Application **ELA2837** (Kau Creek), (each a **Tenement**) (**Figure 1**).

Rio Tinto has the exclusive right to earn a 51% interest by funding a minimum of A\$8 million in exploration expenditure and completing a minimum of 4,000 metres of drilling. Rio Tinto must spend a minimum of \$500,000 (**Minimum Commitment**) within the first 12 months before Rio Tinto has the option to withdraw from the Farm-in Agreement. This period may be extended if ELA2837 is not granted by 31 May 2026 and, if the ELA is not granted by 31 July 2026 or is rejected by the PNG Mineral Resources Authority, amendments to the Minimum Commitment may be discussed.

During this first phase of the Farm-in Agreement, LCL will manage the Project on behalf of the parties and LCL will receive a management fee equivalent to 10% of the Project expenditure. Rio Tinto retains a right to manage the Project at its election.

There are 3 possible outcomes from this phase of the earn-in:

1. If Rio Tinto withdraws before it has completed the Initial Earn-In it shall have no Project ownership.
2. If Rio Tinto completes the Initial Earn-in but elects to not sole fund further exploration after the Initial Earn-In, the joint venture interests will be 51% LCL and 49% Rio Tinto and (if Rio Tinto elects to cease sole funding after first electing to proceed with the Further Earn-in) the parties will in good faith negotiate a form of exit from the joint venture.
3. Rio Tinto may elect to proceed to Further Earn-In as outlined below. In this case the parties' effective interests will be set at 51% Rio Tinto and 49% LCL while Rio Tinto continues to sole fund.

Further Earn-in

Following completion of the Initial Earn-In, Rio Tinto may elect to earn a further 29% interest (to go to 80% ownership) in the Project by sole funding further exploration on the Project to the earlier of:

- expenditure of a further A\$40 million; or

- defining a JORC-compliant Mineral Resource on the Project with at least 1,250,000 tonnes of contained metals on a copper-equivalent basis (using an industry standard formula that reflects relevant metal contributions) and completing a Scoping Study on this Mineral Resource.

Once Rio Tinto has earned its 80% interest in the Project, LCL has the option to contribute or dilute using an industry standard formula. If LCL's participating interest drops below 10% Rio Tinto has a right to buy the residual interest for fair market value or convert this interest to a 1% Net Smelter Royalty (**NSR**) payable for the first 10 years of production from the Project.

Risk and Conditionality

Whilst the Farm-in Agreement is binding, the transaction remains subject to the satisfaction or waiver of conditions subsequent, being the required approvals and registration under PNG mining and investment legislation. There is no guarantee that the Conditions Subsequent will be satisfied in a timely manner or at all. If the Conditions Subsequent are not satisfied by 31 March 2027 then either party can terminate the Farm-in Agreement in which case LCL will be required to repay to Rio Tinto any staged cash payments (see above) made as at the termination date.

If Rio Tinto elects to withdraw from the Farm-in Agreement after meeting the Minimum Commitment but prior to completing the Initial Earn-In, LCL will retain full ownership of the Ono Project but may not receive all staged cash payments (see above) or the full exploration funding contemplated under the Farm-in Agreement.

A summary of the key terms of the Farm-in Agreement is included in the annexure to this announcement.

Company Strategy

The Farm-in Agreement validates LCL's strategy of conducting the early-stage exploration work required to attract further funding from third parties. Third party funding has become necessary as the difficult terrain, the necessity of using helicopters and limited drill rig availability in PNG has led to exploration drilling becoming prohibitively expensive for an exploration company of LCL's size. The Company will continue to seek partnerships or divestment opportunities for its other PNG assets while also continuing the search for new attractive assets to build the Company.

The Board of Directors of LCL authorised this announcement to be released to ASX.



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LCL Resources Limited

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LIST OF PREVIOUS EXPLORATION ANNOUNCEMENTS CONCERNING KUSI:

1. 25th November 2022: *Company to acquire multiple copper, nickel and gold targets in PNG*
2. 16th January 2023: *Site preparation underway for first round of drilling at Kusi Copper/Gold Prospect*
3. 16th February 2023: *22m @ 4.68g/t Au from Leah's Lode (Kusi) extension trenching.*
4. 9th March 2023: *Commencement of drilling at the Kusi high grade gold – copper target.*
5. 24th April 2023: *First hole at Kusi hits high grade gold.*
6. 9th May 2023: *Surface campaign confirms potential scale of Kusi gold-copper skarn mineralisation.*
7. 18th May 2023: *52m @ 3.65g/t Au in Kusi drill hole 4.*
8. 5th July 2023: *More exceptional Kusi gold drill results.*
9. 25th July 2023: *Kusi drill results update.*
10. 8th September 2023: *Kusi drilling update.*
11. 30th October 2023: *New gold zone drilled at Kusi.*
12. 25th February 2026: *High-Grade gold and silver rock chips from new prospect at Kusi, PNG.*

FORWARD LOOKING STATEMENTS

This announcement may contain forward-looking statements. These statements relate to the Company's expectations, beliefs, intentions or strategies regarding the future. These statements can be identified by the use of words like "anticipate", "believe", "intend", "estimate", "expect", "may", "plan", "project", "will", "should", "seek" and similar words or expressions containing same. These forward-looking statements reflect the Company's views and assumptions with respect to future events as of the date of this release and are subject to a variety of unpredictable risks, uncertainties, and other unknowns. Actual and future results and trends could differ materially from those set forth in such statements due to various factors, many of which are beyond our ability to control or predict. These include, but are not limited to, risks or uncertainties associated with, metal prices, exploration, development and operating risks, competition, production risks, sovereign risks, regulatory risks including environmental regulation and liability and potential title disputes, availability and terms of capital and general economic and business conditions.

COMPLIANCE STATEMENT

With reference to previously reported Exploration Results and Mineral Resources, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement

1. APPENDIX - OTHER KEY TERMS OF THE FARM-IN AGREEMENT

Key Term	DETAILS
Parties	Footprint Resources Pty Ltd and LCL Footprint Gold Limited a wholly owned subsidiary of LCL Resources Limited. Rio Tinto Exploration (PNG) Limited, a subsidiary of Rio Tinto Limited (ASX:RIO).
Initial Earn-In	Rio Tinto has the exclusive right to earn a 51% interest in the Ono Project (Initial Earn-In Interest) by sole funding a minimum of A\$8m of exploration expenditure (including a minimum of 4,000m of drilling) within five years from execution of the Farm-In Agreement.
Further Earn-In	Following completion of the Initial Earn-In, Rio Tinto may elect to earn a further 29% interest in the Ono Project (Further Earn-In Interest), to increase its interest in the Ono Project to 80% : • sole funding exploration expenditure of a further A\$40 million or; • defining a JORC-compliant Mineral Resource on the Project of at least 1,250,000 tonnes of contained metals on a copper-equivalent basis (using an industry standard formula that reflects relevant metal contributions) and completing a Scoping Study on this Mineral Resource.
Conditions Subsequent	1. PNG Ministerial Approval (if required) 2. Registration of the Agreement against the EL and ELA
Withdrawal Rights	Rio Tinto may withdraw from the Farm-In Agreement after satisfaction of the Minimum Commitment and prior to completion of the Initial Earn-In. Rio Tinto may remove a Tenement from the Farm-In Agreement where it reasonably considers that it no longer wishes to fund any exploration expenditure on that Tenement. This withdrawal right applies to the Initial Earn-In and Further Earn-In periods.
JV Structure	Unincorporated joint venture.

Joint Venture Formation	If Rio Tinto earns the Initial Earn-In Interest and elects not to sole fund further exploration after the Initial Earn-In to earn the Further Earn-In Interest, a joint venture will be formed, and the joint venture interests will be 51% LCL and 49% Rio Tinto. If Rio Tinto earns the Initial Earn-In Interest and elects to sole fund further exploration after the Initial Earn-In to earn the Further Earn-In Interest: • upon Rio Tinto completing the Further Earn-In a joint venture will be formed and the joint venture interests will be 20% LCL and 80% Rio Tinto; or • if Rio Tinto subsequently elects to cease sole funding further exploration after the Initial Earn-In to earn the Further Earn-In Interest (Cease Sole Funding Election) a joint venture will be formed and the joint venture interests will be 51% LCL and 49% Rio Tinto. • If Rio Tinto gives a Cease Sole Funding Election the parties will in good faith seek to negotiate a form of exit of Rio Tinto from the joint venture.
Joint Venture Decision Making	Proportional voting based on each party's joint venture interest; decisions to be made by simple majority vote (including expenditure plans and budgets and any decision to mine). Various key matters require unanimous approval.
Decision to Mine	The parties may make a decision to mine after the JV Manager provides them with a definitive feasibility study. After a decision to mine has been made, a party with a minority joint venture interest can elect to not contribute to the development the subject of the decision to mine and instead elect to convert its joint venture interest in respect of the relevant mining area to a 1% NSR payable over the first 10 years of production. Following a decision to mine, the parties will form a new joint venture in respect of the area the subject of the decision to mine and the parties will negotiate in good faith a formal mining joint venture agreement that deals with development and mining of such area.
Marketing Rights	At the development stage, Rio Tinto will hold marketing rights for concentrate production from the Project, while LCL

	retains the ability to entertain third-party offtake arrangements for its share of production, subject to Rio Tinto's right of first refusal.
Development Funding and Buyout	In the event a decision to mine is considered while Rio Tinto holds a majority interest, Rio Tinto must provide LCL with a proposal to finance LCL's share of development costs as well as an offer to acquire LCL's interest under the JV Agreement. This structure preserves flexibility for LCL, allowing the Company to either accept the Rio Tinto funding proposal, sell its interest to Rio Tinto, or fund its share of development independently.
Other Terms	The Farm-In Agreement is otherwise on terms and conditions considered customary for an earn-in and joint venture agreement, including confidentiality restrictions, termination for unremedied breach, force majeure, representations and warranties, restrictions on assignment (including pre-emptive rights) of interests in the Farm-In Agreement, the Project and offtake/marketing, and dispute resolution.

2. APPENDIX - LCL's PNG PORTFOLIO

