

BOADICEA RESOURCES LTD

ASX ANNOUNCEMENT: 4 September 2020

BOADICEA RESOURCES LTD

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ASX Announcement &
Media Release

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Issued Capital:

55,595,746 Shares

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CONDITIONAL ASSET SALE AGREEMENT EXECUTED WITH IGO ENTITY

- Conditional sale of nine (9) Fraser Range Tenements to IGO Newsearch Pty Ltd (“Newsearch”), a wholly owned subsidiary of IGO Limited (“IGO”).
- ❓ Potential sale price of \$57 million plus a royalty, comprising:
 - \$5.5 million Upfront Consideration non-refundable cash payment by IGO.
 - Payment of Subscription Price of \$1.5 million by IGO to purchase 6,250,000 shares in the Company at 24 cents per share (which represents a 12% premium to 60-day VWAP).
 - Payment of the Upfront Consideration and Subscription Price to be made within five (5) days of Shareholder approval of the Asset Sale Agreement.
 - \$50 million payment by Newsearch to purchase the Fraser Range Assets. The purchase of the Fraser Range Assets and the payment of the \$50 million is conditional upon declaration of a JORC resource by IGO within the 5-year exclusive access period.
- ❓ A Net Smelter Return Royalty payable by Newsearch of 0.75% on all revenues from the Fraser Range Tenements.
 - In return, Newsearch granted exclusive rights of access and exploration of the Fraser Range Tenements for a period of 5 years.
 - Newsearch entitled to nominate a Non-Executive Director for appointment to the Board of BOA.
- ❓ BOA to seek Shareholder approval as a Condition Precedent to the Asset Sale Agreement.
 - General Meeting of BOA shareholders to be held 14 October 2020.
- ❓ BOA will continue to inform shareholders and ASX of exploration activities and results performed within its Fraser Range tenements.
- ❓ BOA retains 2 Fraser Range tenements (Fraser Range South and Southern Hills), 1 Paterson Range tenement (Koongulla), and the Horseshoe and Wildara prospects.
- ❓ Subject to Shareholder approval of the Asset Sale, an unfranked special dividend of 8 cents per share to be paid to Shareholders registered on 12 October 2020.
- ❓ The Estate of the late Clarke Barnett Dudley, being the former Managing Director of BOA, which holds 37% of the shares in BOA, is supportive of the Asset Sale and intends to vote in favour of the resolution.



Commenting on the Asset Sale, BOA's Managing Director, Mr Jon Reynolds said *"the agreement with IGO/Newsearch provides a substantial cash injection and a unique opportunity to leverage the exploration skills of Newsearch within the Fraser Range to explore for nickel sulphide mineralisation, allowing upside participation from any discovery."*

INTRODUCTION

Boadicea Resources Ltd ("BOA", "Boadicea" or the "Company") is pleased to advise it has signed an Asset Sale Agreement with IGO Newsearch Pty Ltd ("Newsearch"), a wholly owned subsidiary of IGO Limited ("IGO"), for the conditional sale of nine (9) Exploration Licences including ballot wins located in the Fraser Range gravity high of Western Australia ("Fraser Range Assets").

The components of the Agreement include:

- Asset Sale Agreement
- Subscription Agreement
- Royalty Agreement

ASSET SALE AGREEMENT

The Asset Sale Agreement grants Newsearch exclusive rights to explore for minerals for five (5) years.

The agreement covers nine (9) BOA exploration licences or ballot wins located within the Fraser Range gravity high. The Fraser Range Assets are:

- E28/1932 Symons Hill
- E39/2148¹ Giles
- E28/2721 White Knight
- E28/2849 Transline North
- E28/2866 Transline South
- E28/2888 Transline West (1)
- E28/2895 Transline West (2)
- E28/2937 South Plumridge
- E28/2952¹ Giles South

Consideration under the Asset Sale Agreement is summarised below:

- (a) Within 5 business days of approval of the Resolution by the shareholders:
 - (i) Newsearch to pay the non-refundable Upfront Consideration of \$5,500,000 cash;
 - (ii) IGO pay the Subscription Price of \$1,500,000 to subscribe for 6,250,000 ordinary shares in the Company at 24 cents per share.
- (b) Upon payment of the Upfront Consideration and the Subscription Price:
 - (i) the Company will grant Newsearch the exclusive right to explore the areas covered by the Tenements described in the Asset sale agreement for five (5) years;
 - (ii) Newsearch is entitled to nominate a non-Executive Director for appointment to the BOA board at no additional cost to the Company.

¹ Ballot wins, to be granted as exploration licences



- (c) Upon Newsearch declaring a JORC Resource within the five (5) year exclusive period:
- (i) The Company will sell and transfer, and Newsearch will purchase, the Fraser Range Assets upon the payment of \$50,000,000 cash;
 - (ii) Newsearch will grant to the Company a Net Smelter Royalty of 0.75% on all revenues from the Fraser Range Assets.

Newsearch will make a \$250,000 loan to BOA, repayment of which will be deducted from the Upfront Consideration.

Newsearch will manage the Fraser Range Assets for the period of the agreement and will meet all exploration costs.

Newsearch may withdraw from the agreement at any time during the five (5) year period and return the Fraser Range Assets, in good order to BOA with all exploration data.

IGO as the parent company to Newsearch is guaranteeing all obligations under the Asset Sale Agreement with BOA.

ROYALTY AGREEMENT

The parties have agreed that a Net Smelter Return (“NSR”) royalty will be payable to BOA by Newsearch for 0.75% of all revenues associated with mineral production from the Fraser Range Assets. The NSR royalty will allow for standard deductions of transportation, smelter and refining costs associated with the revenues, but not the mining and concentrating costs.

SUBSCRIPTION AGREEMENT

IGO will subscribe for 6,250,000 ordinary shares in the Company at 24 cents per share for the Subscription Price of \$1,500,000 upon shareholder approval of the Asset Sale.

The issue price represents a 12% premium to the 60-day VWAP.

IGO will hold 10.1% of the total issued capital of BOA.

CONTINUOUS DISCLOSURE

Under the terms of the agreement, Newsearch must disclose to BOA all material results from the exploration carried out on the tenements, quarterly updates on exploration activities and copies of work programmes lodged under the *Mining Act 1978* (WA), which will form the basis of BOA discharging its obligation to continuously disclose the price-sensitive information to shareholders and ASX.



USE OF PROCEEDS

Subject to shareholder approval at a General Meeting to be held on 14 October 2020, the Board of BOA intends to declare an unfranked Special Dividend of 8 cents per share for Shareholders registered on 14 October 2020. The balance of the proceeds, net of costs associated with the Asset Sale, will be utilised for ongoing exploration activities on the remaining Exploration Licences that BOA continues to hold, general working capital and new business opportunities the Board may identify.

IGO will not participate in the Special Dividend, as a consequence of IGO not being issued shares in BOA until after the record date for the Special Dividend.

GENERAL MEETING OF BOA SHAREHOLDERS

A General Meeting of BOA shareholders will be convened on Wednesday 14 October 2020 to approve the Asset Sale. In keeping with government advice regarding COVID-19, this meeting will be held online, with details of the meeting expected to be distributed to shareholders imminently.

FRASER RANGE TENEMENTS

BOA has a total of 11 exploration licences in the Fraser Range, including 2 ballot wins, which represent a quality exposure to the Fraser Range gravity high.

The Fraser Range Assets comprise seven (7) granted exploration licences and two (2) ballot wins. The tenements have proximal location to the three (3) key nickel sulphide deposits and prospects currently known in the Fraser Range, including:

- Nova-Bollinger nickel-copper-cobalt mine (IGO)
- Mawson (Legend Mining)
- Silver Knight (Great Southern Nickel)

The location of BOA's Fraser Range tenements is presented in the following Figure 1:



BOADICEA RESOURCES LTD

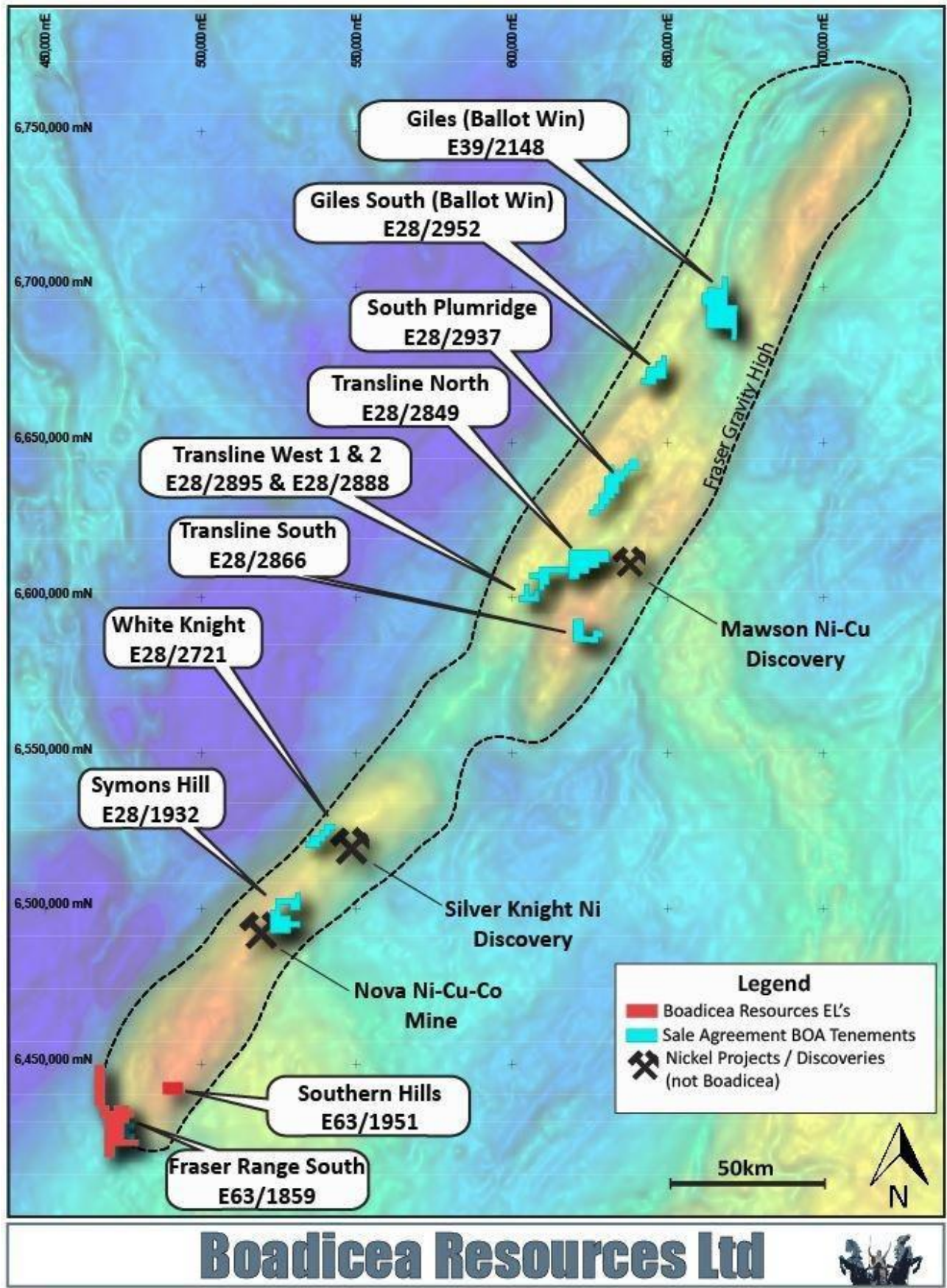


Figure 1 Fraser Range Assets Location



The following represent the Exploration Licences that form the Asset Sale.

Symons Hill

(E28/1932 - 100% Boadicea)

The flagship Symons Hill Project is located within the Fraser Range, 4km from the Nova-Bollinger nickel-copper-cobalt mine.

Following a MLEM survey completed in the north of the Project during 2019, three (3) late-time, flat-lying conductors at targets SH-09, SH-10 and SH-11 have been identified to have the potential to represent sulphide accumulations, and in conjunction with the magnetic and gravity signature warrant drill testing (see ASX releases March 9 and March 21 2019).

Transline / South Plumridge Ni-Cu Projects

(E28/2849, E28/2866, E28/2888, E28/2895 and E28/2937 – All 100% Boadicea)

The Transline Project consists of four exploration licences positioned in the northern portion of the Fraser Range. Transline North (E28/2849) and Transline South (E28/2866) that were both granted on 23 January 2020. Transline West 1 (E28/2895) and Transline West 2 (E28/2888) were also granted on 11 May 2020. South Plumridge (E28/2937) was granted in August 2020.

The location of the Transline West Licences adds to the Company's excellent tenement package, all of which are located within 35km of the recent Mawson massive nickel-copper discovery announced by Legend Mining Limited. Boadicea appears to be the only listed non-IGO or Creasy Group company near the Mawson discovery. Boadicea at its closest position is located less than 10km from the Mawson discovery.

White Knight

(E28/2721 - 100% Boadicea)

The White Knight tenement was granted to BOA in January 2020 and is located approximately 5km from the Silver Knight Ni-Cu discovery owned by Great Southern Nickel, a Creasy Group company.

Giles Project

(E28/2952 and E28/2148 - 100% Boadicea, Ballot Wins)

The Giles project is composed of two ballot wins that were confirmed in February 2020.

FRASER RANGE ASSETS RETAINED BY BOADICEA

The following Fraser Range Exploration Licences are not part of the Asset Sale. BOA is currently completing preliminary exploration activities on both tenements held in the Fraser Range described below with geochemical sampling and surface geological mapping.



Fraser South

(E63/1859 – 100% Boadicea)

The Fraser South prospect is located at the southern extents of the Fraser Range Gravity high.

Southern Hills

(E63/1951 – 100% Boadicea)

The licence was granted on 6 February 2019.

The licence is positioned in the southern portion of the Fraser Gravity Ridge. The tenure formed part of IGO/Creasy Group Southern Hills JV Project that was relinquished due to statutory obligations.

END

Authorised by the board of Boadicea Resources Ltd.

Contact Information:

For further information please contact:

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Competent Persons Statements:

The information in this Announcement that relates to Exploration Results was compiled by Mr G. Purcell, who is a part time consultant to the Company and a Member of the Australian Institute of Geoscientists. Mr Purcell has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves'. Mr Purcell consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.

Disclaimer:

Information included in this release constitutes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue" and "guidance" or other similar words, and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, staffing and litigation.

Forward looking statements are based on the company and its management's assumptions made in good faith relating to the financial, market, regulatory and other relevant environments that exist and affect the company's business operations in the future. Readers are cautioned not to place undue reliance on forward looking statements.

Forward looking statements are only current and relevant for the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward-looking statements or advise of any change in events, conditions or circumstances on which such statement is based.

