

## OAKOVER MANGANESE PROJECT FARM-IN AND JOINT VENTURE AGREEMENT

### KEY POINTS

- **Exclusive right granted to Black Canyon Pty Ltd (“Black Canyon”) to farm-in to Carawine’s Oakover Project**
- **Subject to Black Canyon receiving conditional approval to list on the ASX, Black Canyon will have the right to earn up to a 75% interest in the Oakover Project by spending a total of \$4 million in two stages:**
  - **Stage 1: 51% interest after \$1.5 million exploration spend within two years**
  - **Stage 2: additional 24% interest after a further \$2.5 million exploration spend within the following three years**
- **Black Canyon must spend a minimum of \$750,000 and complete 2,000m of drilling within the first 12 months of Stage 1**
- **Agreement provides Black Canyon with a large tenement package in a world-class manganese district**
- **Agreement allows Carawine to focus on gold and copper exploration at its Jamieson and Tropicana North Projects, and nickel exploration at its Fraser Range Project, whilst also retaining exposure to the benefits of any discovery from the Oakover Project**

Gold and base metals explorer Carawine Resources Limited (“Carawine” or “the Company”) (ASX:CWX) today announced it has executed a binding Heads of Agreement (“Agreement”) with Black Canyon Pty Ltd (“Black Canyon”). The Agreement gives Black Canyon the exclusive right to farm-in to Carawine’s Oakover Project, subject to the satisfaction of conditions precedent within 5 months including Black Canyon receiving conditional approval to list on the Australian Securities Exchange (“ASX”).

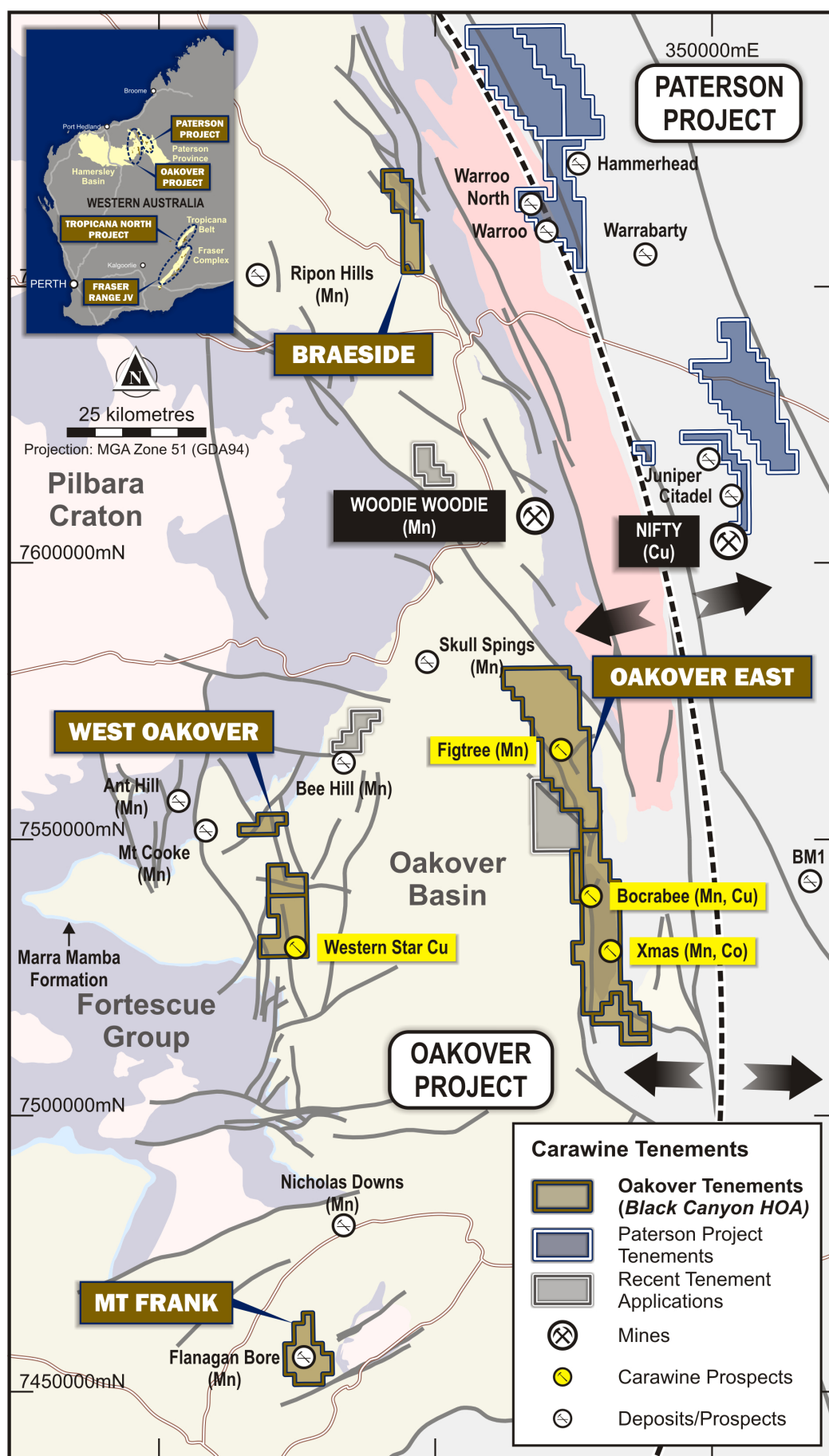
Carawine’s Oakover Project is located 400km southeast of Port Hedland in the East Pilbara region of Western Australia. The Project is centred on the Oakover Basin, a world-class manganese province host to Consolidated Minerals’ Woodie Woodie manganese mine which has been producing premium grade manganese since the 1950s. There are also several historic manganese mining centres and numerous manganese and copper prospects and occurrences throughout the Oakover region (Figure 1).

Included in the Agreement are eight granted exploration licences in the Oakover Project, which are grouped as follows: Braeside (E45/4958); Oakover East (E46/1116, E46/1099, E46/1245, E45/5145); Oakover West (E46/1119, E46/1069); and Mt Frank (E46/1301) (the “Tenements”) (Figure 1). Apart from a drilling program completed in 2018 at the Western Star copper prospect (refer ASX announcement dated 23 November 2018), Carawine’s work to date has comprised largely of target generation activities based on reviews of historic exploration and reconnaissance-level mapping and surface sampling programs.

Carawine Managing Director Mr David Boyd said the Agreement represents an opportunity for the Oakover Project Tenements to be advanced by a dedicated manganese explorer.

*“Carawine’s tight focus on our high-quality gold, gold-copper, and nickel exploration opportunities at Tropicana North, Jamieson and Fraser Range has meant we have not prioritised exploration of the Oakover Project tenements,” Mr Boyd said.*

*“We believe Oakover has significant potential for manganese discoveries and we are pleased that Black Canyon is preparing to take this opportunity. If Black Canyon is successful with its ASX listing, this deal will ensure the manganese potential of the Oakover Project is explored, with Carawine retaining an interest and the ability to share in the benefit of any discoveries.”*



**Figure 1: Oakover Project location and regional geology.**

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Key terms of the Agreement are summarised as follows:

- Black Canyon to make a A\$50,000 non-refundable cash payment to Carawine within 30 days of the date of the Agreement in consideration for Carawine granting to Black Canyon five months exclusivity over the Tenements in order to satisfy the conditions precedent under the Agreement.
- Conditions precedent must be satisfied on or before the 23 May 2021 (or such later date as agreed between the parties), including Black Canyon completing a capital raising sufficient to satisfy the conditions for listing on ASX and receiving conditional approval to be admitted to the official list of the ASX.
- On satisfaction of the conditions, Black Canyon will have the right to earn a 51% interest in the Tenements (“**Stage 1 Interest**”) by:
  - spending at least A\$750,000 and complete a minimum 2,000m drilling on the Tenements, within the first twelve months (the “**Minimum Obligation**”).
  - spending an aggregate of A\$1.5 million on exploration within two years of the date of the Agreement, inclusive of the Minimum Obligation.
- Black Canyon will not be able to withdraw from the Agreement until the Minimum Obligation is satisfied.
- Once Black Canyon has earned the Stage 1 Interest, a Joint Venture between the parties will be formed on standard terms with Black Canyon to act as Manager.
- Black Canyon will also have the further right to elect to earn an additional 24% interest in the Tenements (“**Stage 2 Interest**”) by spending an additional A\$2.5 million on exploration within an additional three years, during which Carawine will be free carried.
- Following the farm-in period (regardless of whether Black Canyon elects to earn the Stage 2 Interest), Carawine and Black Canyon will operate the joint venture in accordance with their joint venture interests with each party having the right to contribute to expenditure according to its interest or dilute.
- If either party’s interest falls to below 5%, then that party’s interest will automatically convert to a 1% net smelter royalty payable on the first ten years of production.

### *About Manganese*

Manganese is a key component of steel production and is the fourth most used metal in the world by tonnage behind iron, aluminium, and copper, and is a key battery mineral<sup>1</sup>. Other active ASX-listed companies in the region with a manganese focus include Element 25 (ASX:E25) who are developing their Butcherbird manganese project about 200km southwest of Oakover<sup>2</sup>, and Firefly Resources (ASX:FFR) who recently announced a demerger and IPO of its manganese asset in the Oakover region<sup>3</sup>.

### **Exploration Program Update**

#### *Jamieson Project, Victoria*

Diamond drilling at Hill 800 is progressing well, with the second drill hole in the current program (H8DD024) targeting the down-plunge extension of previously intersected high-grade mineralisation recently completed to 436.2m downhole depth. A follow-up drill hole designed to test further down-plunge from the zone targeted in H8DD024 is in progress and will be completed before the drill rig moves to the Rhyolite Creek prospect, 5km to the south of Hill 800 (refer ASX announcement dated 8 December 2020 for further details).

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<sup>1</sup> Source International Manganese Institute website [www.manganese.org](http://www.manganese.org)

<sup>2</sup> refer Element 25 Ltd (ASX:E25) ASX announcement dated 23 November 2020

<sup>3</sup> refer Firefly Resources Ltd (ASX:FFR) announcement dated 18 December 2020

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Drilling at Jamieson will now break for Christmas, before a planned re-commencement in the first week of January 2021.

### *Tropicana North Project, Western Australia*

Air core drilling at the Neale and Don King tenements is now complete, with 80 holes drilled for a total 4,124m. Completion of the reverse circulation ("RC") drilling program at the Hercules and Atlantis prospects has been delayed, with recent heavy rainfall preventing the movement of equipment. The RC program is expected to recommence before the end of the year, with completion expected early in January 2021 (refer ASX announcement dated 8 December 2020 for further details).

Assay results from the drilling programs at Jamieson and Tropicana North will be announced as they become available, currently expected to be around mid-Q1 2021.

This announcement was authorised for release by the Company's Board of Directors.

## ENDS

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**Figure 2: Carawine's project locations.**

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### COMPLIANCE STATEMENTS

#### REPORTING OF EXPLORATION RESULTS AND PREVIOUSLY REPORTED INFORMATION

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Michael Cawood, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Cawood holds securities in and is a full-time employee of Carawine Resources Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities being 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' (the "JORC Code (2012)"). Mr Cawood consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

This announcement includes information that relates to Exploration Results prepared and first disclosed under the JORC Code (2012) and extracted from the Company's previous ASX announcements (with the Competent Person for the relevant original market announcement indicated in brackets), as follows:

- "Encouraging Drill Results from Western Star" 23 November 2018 (M Cawood)
- "Porphyry Alteration at Jamieson, Tropicana North Drilling Update" 8 December 2020 (M Cawood)

Copies of these announcements are available from the ASX Announcements page of the Company's website: [www.carawine.com.au](http://www.carawine.com.au)

The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements. Where the information relates to Exploration Results the Company confirms that the form and context in which the competent person's findings are presented have not been materially modified from the relevant original market announcement.

#### FORWARD LOOKING AND CAUTIONARY STATEMENTS

Some statements in this announcement regarding estimates or future events are forward-looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Forward-looking statements include, but are not limited to, statements preceded by words such as "planned", "expected", "projected", "estimated", "may", "scheduled", "intends", "anticipates", "believes", "potential", "predict", "foresee", "proposed", "aim", "target", "opportunity", "could", "nominal", "conceptual" and similar expressions. Forward-looking statements, opinions and estimates included in this report are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward-looking statements may be affected by a range of variables that could cause actual results to differ from estimated results and may cause the Company's actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward-looking statements. So, there can be no assurance that actual outcomes will not materially differ from these forward-looking statements.



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**ABOUT CARAWINE RESOURCES**

Carawine Resources Limited is an exploration company whose primary focus is to explore for and develop economic gold, copper and base metal deposits within Australia. The Company has five projects, each targeting high-grade deposits in active and well-established mineral provinces throughout Australia.

**JAMIESON PROJECT (Au-Cu, Zn-Au-Ag)**

The Jamieson Project is located near the township of Jamieson in the northeastern Victorian Goldfields and comprises granted exploration licences EL5523 and EL6622, covering an area of about 120 km<sup>2</sup> and containing the Hill 800 gold-copper and Rhyolite Creek copper-gold and zinc-gold-silver prospects within Cambrian-aged felsic to intermediate volcanics. Carawine is testing the strike and dip extents of the Hill 800 mineralisation which are currently open and is searching the region for a potential copper-gold porphyry source to the Hill 800 mineralisation.

**PATERSON PROJECT (Au-Cu, Cu-Co)**

The Paterson Project, situated in the Paterson Province at the eastern edge of the Pilbara Craton, is dominated by Proterozoic age rocks of the Rudall Metamorphic Complex and the overlying Yeneena Supergroup. The Paterson area is host to the Telfer Au-Cu deposit, and the Nifty and Maroochydore stratabound Cu-(Co) deposits. The Paterson Project comprises nine granted exploration licences and seven exploration licence applications (five subject to ballot) over an area of about 1,500km<sup>2</sup> across ten tenement groups in the Paterson. These are named Red Dog, Baton (West Paterson JV tenements); Lamil Hills, Trotman South, Sunday and Eider (Coolbro JV tenements), and; Cable, Puffer, Magnus and Three Iron (Carawine 100%).

Carawine has a farm-in and joint venture agreement with Rio Tinto Exploration Pty Ltd ("RTX"), a wholly owned subsidiary of Rio Tinto Limited (ASX:RIO), whereby RTX have the right to earn up to 80% interest in the Baton and Red Dog tenements by spending \$5.5 million in six years from November 2019 to earn 70% interest and then sole funding to a prescribed milestone (the "West Paterson JV"). Carawine also has a farm-in and joint venture agreement with FMG Resources Pty Ltd, a wholly owned subsidiary of Fortescue Metals Group Ltd ("Fortescue") (ASX:FMG), whereby Fortescue have the right to earn up to 75% interest in the Lamil Hills, Trotman South, Sunday and Eider tenements by spending \$6.1 million in seven years from November 2019 (the "Coolbro JV"). The Company retains full rights on its remaining Paterson tenements.

**FRASER RANGE PROJECT (Ni-Cu-Co)**

The Fraser Range Project includes 6 granted exploration licences in five areas: Red Bull, Bindii, Big Bullocks, Similkameen and Big Bang, and four active exploration licence applications Willow, Bullpen, Python and Shackleton in the Fraser Range region of Western Australia. The Project is considered prospective for magmatic nickel-sulphide deposits such as that at the Nova nickel-copper-cobalt operation. Carawine has a joint venture with IGO Limited ("IGO") (ASX:IGO) over the Red Bull, Bindii, Big Bullocks and Similkameen tenements (the Fraser Range Joint Venture). IGO currently hold a 51% interest in these tenements and can earn an additional 19% interest by spending \$5 million by the end of 2021. The remaining tenements are held 100% by Carawine.

**TROPICANA NORTH PROJECT (Au)**

Carawine's Tropicana North Project comprises two granted exploration licences and 12 exploration licence applications over an area of more than 1,800km<sup>2</sup> in the Tropicana region of Western Australia. The two granted exploration licences are the subject of a joint venture between Carawine (90%) and Thunderstruck Investments Pty Ltd (10%; "Thunderstruck"), with Carawine to free-carry Thunderstruck to the completion of a BFS at which point Thunderstruck may elect to contribute to further expenditure or dilute. The Project is considered highly prospective for gold.

**OAKOVER PROJECT (Mn, Cu, Fe, Co)**

Located in the East Pilbara region of Western Australia, the Oakover Project comprises eight granted exploration licences and three exploration licence applications with a total area of about 950km<sup>2</sup>, held 100% by the Company. The Oakover Project is centred on the Proterozoic Oakover Basin and is considered prospective primarily for manganese.

ASX Code:	CWX	Market Capitalisation :	A\$26 million
Issued shares:	109 million	Cash (unaudited, at 1 Dec 2020):	A\$6.5 million