



Placement to Advance High Grade PNG Nickel Project

LCL Resources Ltd (ASX:LCL) (Company) is pleased to advise that it has secured firm commitments to raise \$3 million through a placement to professional and sophisticated investors (**Placement**) primarily to advance the PNG Nickel Project.

Evolution Capital Pty Ltd and Euroz Hartleys Limited were Joint Lead Managers and bookrunners to the Placement.

LCL's Managing Director, Jason Stirbinskis said:

"We are greatly appreciative for the strong support received for our evolving high-grade nickel story, which is showing great promise.

Our technical team will now get to work to put LCL in a strong position to undertake LCL's first ever drill testing within the PNG Nickel Project where we have to date reported high-grade nickel and gold grades at surface."

Emerging High Grade Nickel Story

Over recent months the Company has been consolidating a contiguous, regional position of tenements capturing Papuan Ultramafic Belt (**PUB**) lithologies. This now totals 3,400km² and forms the PNG Nickel Project, considered prospective for high grade nickel sulphide and nickel laterite mineralisation.

To date three nickel sulphide prospects (Veri Veri, Iyewe and Doriri) have been identified within a 10km strike proximal to a major structure, the Keveri Fault (Figure 1).

In late July 2023 the Company reported that it had confirmed the source of high grade nickel sulphide float (up to 45.8% Ni)¹ in Veri Veri creek, identifying a 200m wide mineralised corridor within PUB lithologies. LCL's limited scout trenching program² returned **3m @ 2.11% Ni, 0.23g/t Au**, confirming historical trenching results of:

- Trench V14 **7.8m @ 3.17% Ni, 1.32g/t Au**
- Trench V13 **3m @ 4.9% Ni, 2.72g/t Au**
- Trench V10 **7m @ 4.21% Ni, 1.45g/t Au**
- Trench V9 **10m @ 2.61% Ni, 0.77g/t Au**

With the Placement proceeds, the next phase of LCL's fieldwork will include:

- Further mapping and trenching at the Iyewe and Veri Veri prospects.
- Re-interpretation of historical geophysics data.
- The possibility of conducting tight-spaced new generation geophysics over priority targets.

¹ See ASX announcement 25 November 2022. The Company confirms that it is not aware of new information that affects the information contained in the original announcement.

² See ASX announcement 20 July 2023. The Company confirms that it is not aware of new information that affects the information contained in the original announcement.

The above work programme will drive the selection of LCL’s maiden 1,000m diamond drilling program to commence in Q2 2024.

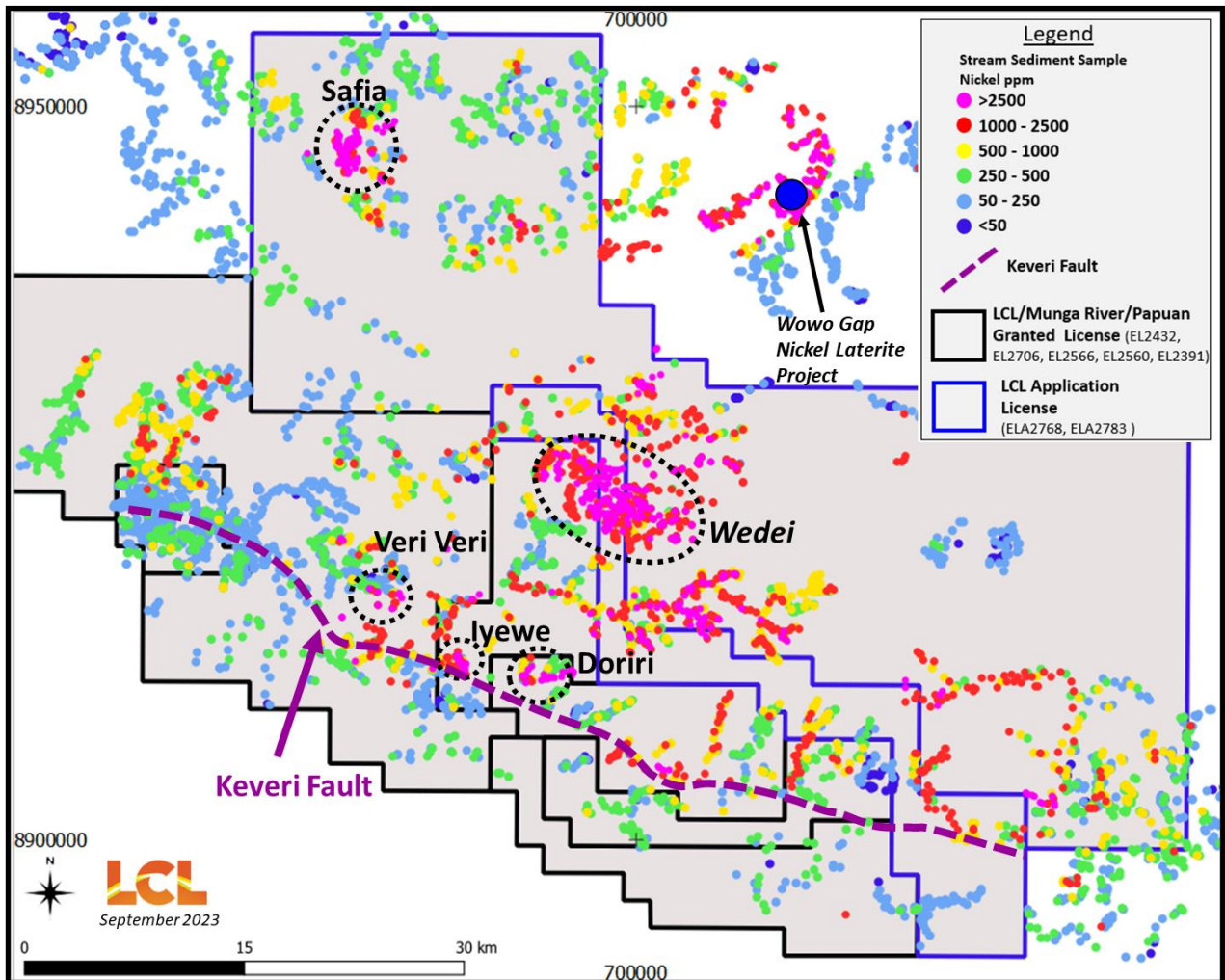


Figure 1: LCL’s 3,400km² nickel exploration portfolio includes multiple nickel targets. Figure shows stream sediment geochemical assays and LCL’s exploration licences and applications.

Placement Details

The Company will issue 156,842,110 fully paid ordinary shares at \$0.019 per share to professional and sophisticated investors utilising its share issue capacity under ASX Listing Rule 7.1 (101,452,420 shares) and 7.1A (55,389,690 shares).

In addition, subject to shareholder approval at a General Meeting intended to be held in late January 2024, investors in the Placement will be issued with one (1) attaching option for every two (2) shares subscribed in the Placement, each having an exercise price of \$0.025 and expiry date of 2 years from date of issue (**Options**). LCL will issue a prospectus for the Options and seek to list the Options on the ASX.

The Company’s Chairman, Ross Ashton will subscribe to \$20,000 on the same terms as the Placement, subject to shareholder approval.



The Joint Lead Managers will be issued 26.3 million Options, subject to shareholder approval, as part of the fee in connection with the Placement.

Reduction in Overheads

In light of difficult equity markets the Company has taken steps to reduce corporate overheads and continues to review opportunities for cost savings to ensure capital is directed into projects as far as possible.

In this regard, the Managing Director, Jason Stirbinskis, and Chief Financial Officer, Michael Allen, have agreed to a temporary ~40% reduction in salary. Non-executive directors, Ross Ashton and Kevin Wilson have each elected, subject to shareholder approval, to receive shares in LCL, at the capital raise price, in lieu of cash fees over the next 6-month period.

For the purpose of ASX Listing Rule 15.5, the Board has authorised the release of this announcement.

This announcement lifts the current Trading Halt in the Company's securities.

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FORWARD LOOKING STATEMENTS This document contains forward looking statements concerning LCL Resources. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking statements in this document are based on LCL's beliefs, opinions and estimates of LCL as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments. Although management believes that the assumptions made by the Company and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. Forward-looking information involves known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, the actual market price of gold, the actual results of future exploration, changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's publicly filed documents. Readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws. No representation, warranty or undertaking, express or implied, is given or made by the Company that the occurrence of the events expressed or implied in any forward-looking statements in this presentation will actually occur.

JORC STATEMENTS - COMPETENT PERSONS STATEMENTS

The technical information related to LCL's assets contained in this report that relates to Exploration Results is based on information compiled by Mr John Dobe, who is a Member of the Australasian Institute of Mining and Metallurgy and who is a Geologist employed by LCL on a full-time basis. Mr Dobe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking, 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'. Mr Dobe consents to the inclusion in the release of the matters based on the information he has compiled in the form and context in which it appears.