



Multiple new high grade nickel sulphide outcrops coincident with VTEM conductors at PNG Nickel Project

LCL Resources Ltd (ASX:LCL) (Company) is pleased to provide an update on ongoing exploration work at the Company's 100% owned PNG Nickel Project.

The previously reported reconnaissance field program discovered **new zones of nickel sulphides** at Iyewe¹ which have returned grades up to 15.78% Ni from outcrops and 19.17% Ni from float samples (Figure 1). Reprocessing of existing VTEM (Versatile Time Domain Electromagnetics) geophysical data has previously identified anomalies at Veri Veri¹. Additional VTEM data reprocessing has now identified high priority geophysical anomalies at Iyewe and between Veri Veri and Iyewe with the latter associated with a new discovery of nickel sulphides (Figure 3). The field team has completed a 180m long trench across the Veri Veri nickel sulphide shear corridor target with assay results expected in February.

High grade nickel sulphide confirmed in outcrops at Iyewe

The Company has received results from a reconnaissance field program completed in December 2023 at the Iyewe Prospect. Of the 16 samples collected at Iyewe from nickel sulphide bearing outcrops and float, 10 assayed >5% Ni and five of these samples assayed >10% Ni (Table 1). Importantly, nine of the samples were distal from the historical drill area and two of these samples were highly anomalous in gold, assaying 4.80g/t and 2.48g/t and confirming the previously reported association of high grade nickel with high grade gold.

Geophysics modelling highlights more targets

As a follow up to geophysical modelling of historical VTEM data reported over the Veri Veri Prospect, the Company commissioned Terra Resources to trial new modelling techniques, 2.5D inversion software (Voxi-GEOSOFT), to extract additional information from data collected in the historical VTEM surveys¹. The outputs have confirmed VTEM responses from known nickel sulphide exposures at Veri Veri and Iyewe (Figures 2 and 3). Terra Resources geophysicists have also identified several additional anomalies for follow-up work, including a high priority conductor between Veri Veri and Iyewe coincident with nickel sulphide float discovered in the current field program (Figure 3, assays pending).

The Company is very encouraged by initial results of the new inversion modelling of the existing VTEM data and has commissioned additional assessment to generate further targets over the remainder of the historical VTEM survey which covered the area between the Veri Veri and Iyewe prospects.

¹ Referenced in ASX announcement 7 December 2023.

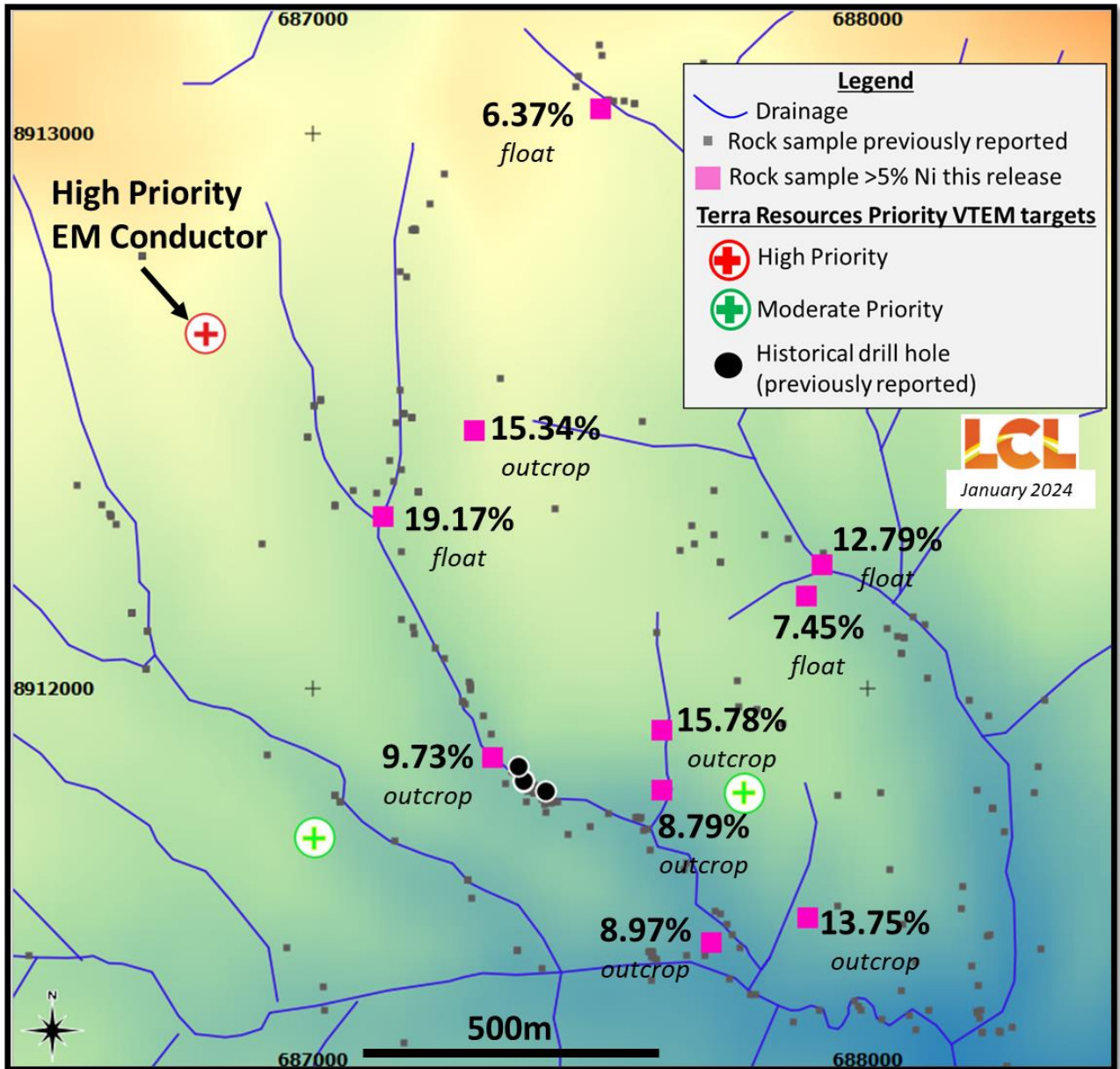


Figure 1: Location plan of high grade nickel rock chip assays from the Lyewe prospect with VTEM geophysical anomalies. Several newly identified VTEM conductors within the Lyewe area require follow-up. Historical rock chips have been previously reported².

Sample_ID	Sample Type	Easting	Northing	Ni %	Au g/t
176418	Float	687126	8912309	19.17	0.397
176415	Outcrop	687628	8911925	15.78	0.094
176413	Outcrop	687291	8912465	15.34	0.76
176411	Outcrop	687891	8911587	13.75	0.453
176409	Float	687916	8912223	12.79	0.754

² See ASX announcement 4 October 2023. The Company confirms that it is not aware of new information that affects the information contained in the original announcement.

176421	Outcrop	687324	8911876	9.73	0.151
176419	Outcrop	687717	8911542	8.97	2.48
176423	Outcrop	687629	8911817	8.79	0.983
176408	Float	687889	8912167	7.54	4.8
176417	Float	687518	8913044	6.37	0.401
176412	Outcrop	687287	8912270	3.92	0.375
176410	Outcrop	687346	8912549	2.82	0.058
176424	Outcrop	691841	8911124	2.50	0.063
176414	Float	688385	8911751	0.28	<0.005
176407	Outcrop	687588	8911499	0.22	0.01
176406	Outcrop	687631	8911506	0.20	<0.005

Table 1: Rock chip assay results from Iyewe samples collected in December 2023.



Plate 1: Rock chip outcrop sample 176415 returned 15.78% Ni from composite sample 60cm wide. The polished sample of representative semi-massive nickel sulphide mineralisation is primarily composed of heazlewoodite and serpentine.

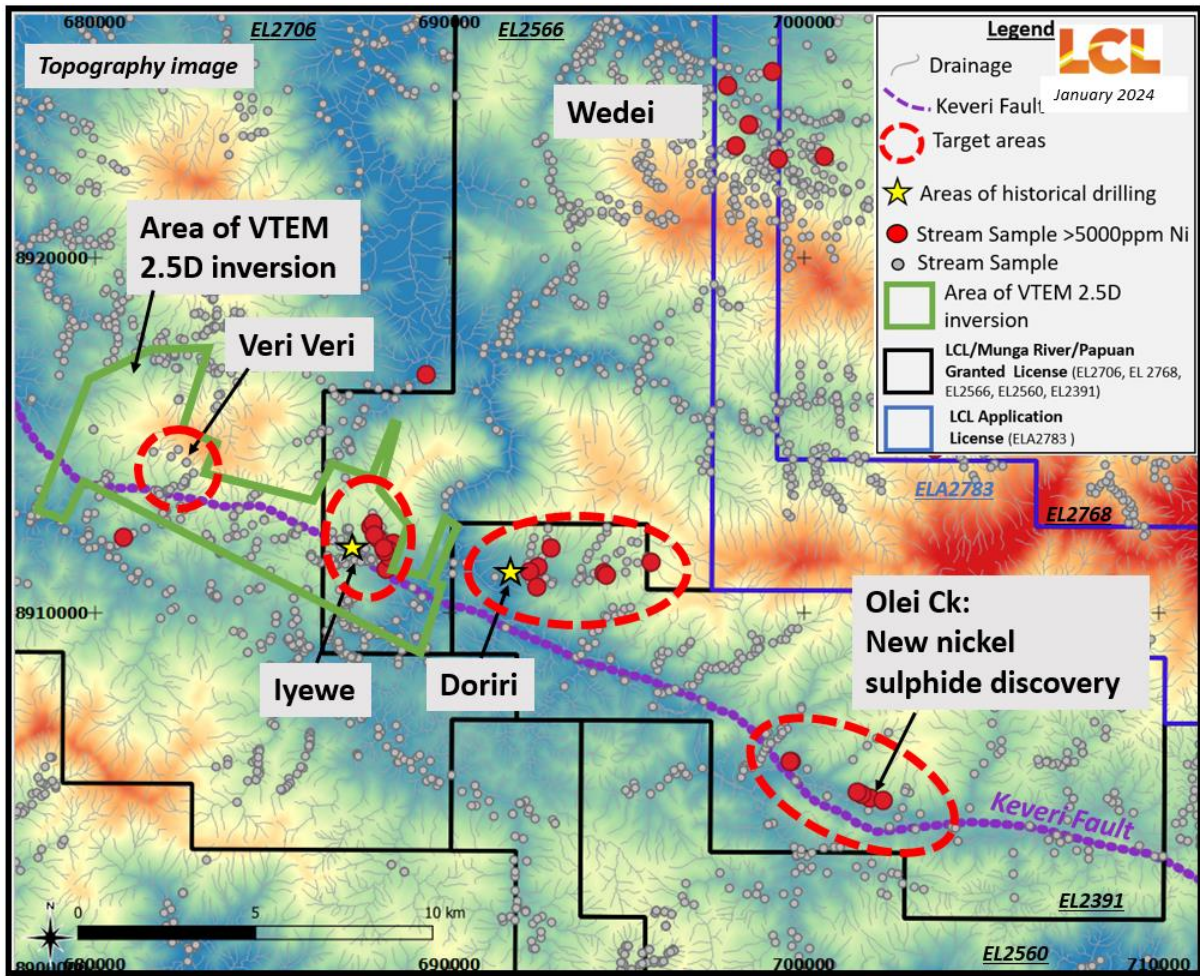


Figure 2: Regional location plan showing LCL nickel targets, and highlighting stream sediment samples >5,000ppm Ni¹. The known nickel sulphide occurrences lie adjacent to the Keveiri Fault. Areas of previous drilling are highlighted as yellow stars. Green outline shows the area of re-processed VTEM data contained within this release, covering the Veri Veri and Iyewe prospects. The new Olei Creek prospect discovery was reported to ASX on 7 December 2023.

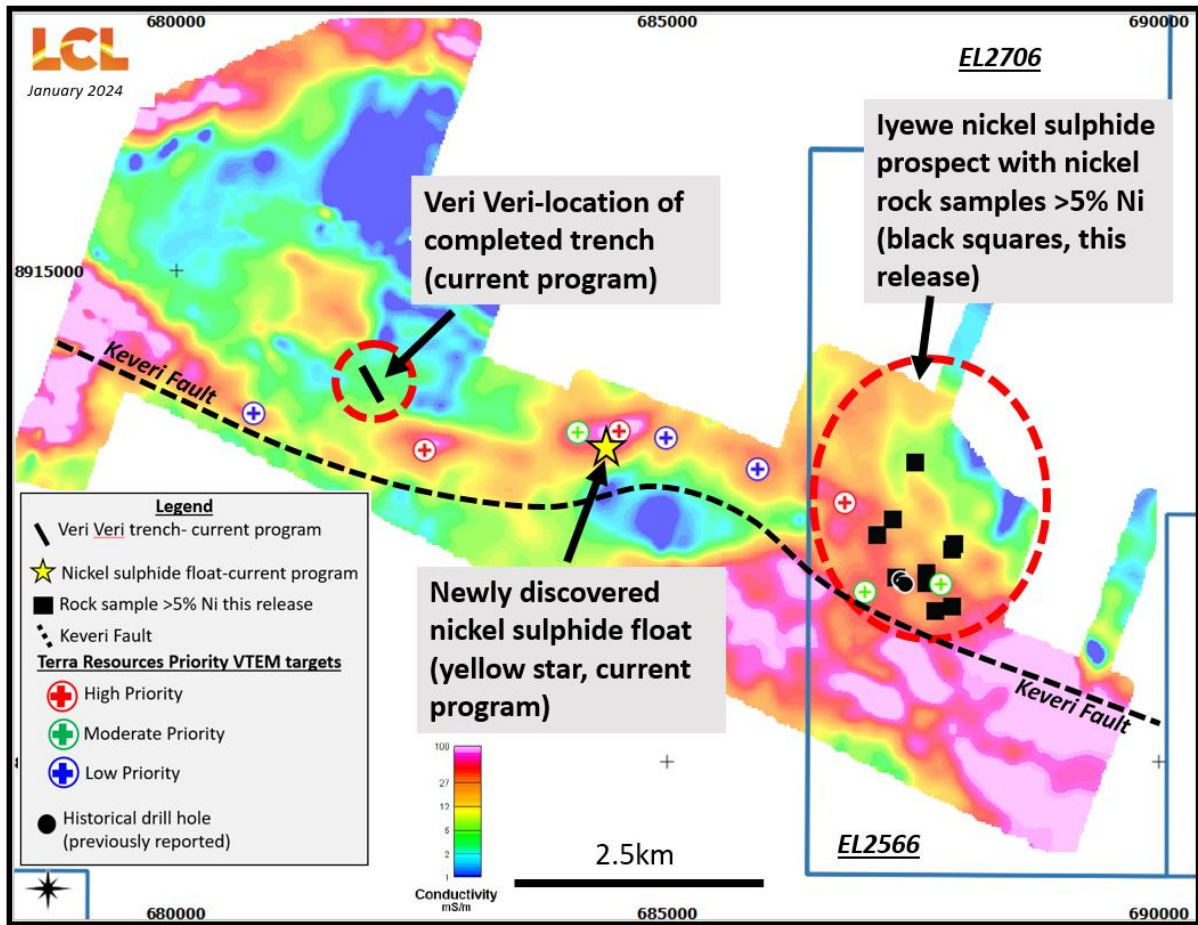


Figure 3: Conductivity image depth slice plan at 200m derived from the 2.5D inversion of historical VTEM data, along with priority VTEM conductors for follow-up. Terra Resources’ proposed targets are highlighted along with reconnaissance rock chip samples assaying >5% Ni from the Lyewe Prospect (black squares). A recent nickel sulphide float sample was identified between Veri Veri and Lyewe close to a significant VTEM conductor (yellow star, assays pending). The current trench location for follow-up sampling across the Veri Veri nickel sulphide zones is plotted as a black line.

LCL’s Managing Director, Jason Stirbinskis commented “We are impressed by the growing number of high grade nickel sulphide outcrops and VTEM targets emerging within the >20km strike between the Veri Veri and Olei Creek Prospects, each proximal to the Keveri Fault. We also note the coincidence of multiple VTEM anomalies with the high conductivity east-west trend in Figure 3. This trend is interpreted to be overlain by younger volcanics and sediments (pink colour) at the eastern and western edge of Figure 3”.

Next Steps

LCL recently successfully completed a capital raise in December 2023 to secure AUD\$3M³ with the main focus of exploration expenditure to be directed to the emerging PNG Nickel Project. The LCL field team recently completed trenching across the ~180m wide Veri Veri shear corridor and are now focused on follow-up work on the new nickel sulphide discovery at Olei Creek¹, 15km to the east of Lyewe and an historical 7km x 4km nickel

³ See ASX Announcement 30 November 2023.



stream sediment anomaly 20km northeast of Iyewe at Wedei and distal from the Keveri Fault. (Figure 2). The Company is targeting drilling at its PNG Nickel Project in the April - June 2024 quarter.

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

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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.

JORC Code, 2012 Edition – Table 1- Awala EL2706, Abau EL2566.

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Rock chip samples are bagged in numbered calico sacks with a sample tag. Groups of 5 samples are bagged in a heavy-duty plastic bag, labelled, weighed and sealed, for transport. Transport is via helicopter to the township of Upalima, where the samples are couriered with a commercial transport group to the Intertek (ITS) Laboratory in Lae, PNG. Sample preparation (PB05) is carried out by ITS Laboratory in Lae, PNG where the whole sample is dried (105°C), crushed and pulverised (95%, 106µm). Splits are then generated for fire assay (FA50/AAS). Pulp samples (30g) are shipped by ITS to the ITS Laboratory in Townsville, Australia where the samples are analysed for an additional 48 elements using Four Acid ICP-OES & MS package 4A/OM10. All rock chip samples are approximately 2kg in weight.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> NA
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. 	<ul style="list-style-type: none"> NA

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	
Logging	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • Rock chips are logged geologically by the project geologist to accepted industry standards capturing lithology, mineralogy and structural measurements.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • LCL did not undertake any QAQC samples. • Samples undergo fine pulverisation of the entire sample in accordance with the independent certified laboratory's procedures. • Samples are bagged and tagged with unique sample identity numbers.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading</i> 	<ul style="list-style-type: none"> • Surface samples were submitted to ITS laboratory in Lae for sample preparation and Au assay. Pulps are sent to ITS' laboratory in Townsville, Australia for multi-element assays. Gold assays were obtained using a lead collection fire assay technique (FA50/AAS) and analyses for an additional 48 elements obtained via Four Acid ICP-OES & MS package 4A/OM10. • Fire assay for gold is considered a "total" assay technique.

Criteria	JORC Code explanation	Commentary
	<p><i>times, calibrations factors applied and their derivation, etc.</i></p> <ul style="list-style-type: none"> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • An acid (4 acid) digest is considered a total digestion technique. However, for some resistant minerals, not considered of economic value at this time, the digestion may be partial e.g. Zr, Ti etc. • No field non-assay analysis instruments were used in the analyses reported. • Geochemistry results are reviewed by the Company for indications of any significant analytical bias or preparation errors in the reported analyses. • Internal laboratory QAQC checks are also reported by the laboratory and are reviewed as part of the Company's QAQC analysis. The geochemical data is only accepted where the analyses are performed within acceptable limits.
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Reported results are compiled by the Company's geologists and verified by the Company's database administrator and exploration manager. • No adjustments to surface assay data were made. • Data is stored digitally in a database which has restricted access to LCL database personnel. • Pulps from the ITS laboratory are returned to LCL after 3 months. LCL then store the samples in a secure lock storage container in Lae, PNG.
Location of data points	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • The grid system is WGS84 UTM zones Z55S.
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • The Historic VTEM data is 100m line spacing and is considered to be an effective spacing for targeting.
Orientation of data in	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this</i> 	<ul style="list-style-type: none"> • The VTEM flight lines are considered to be in an optimal orientation for

Criteria	JORC Code explanation	Commentary
relation to geological structure	<p><i>is known, considering the deposit type.</i></p> <ul style="list-style-type: none"> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	mapping the mineralised trends at Veri Veri.
Sample security	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Surface sample dispatches are secured and labelled on site. Groups of 5 samples are bagged in a heavy duty plastic bag, labelled, weighed and sealed, for transport. Transport is via helicopter to a commercial airport, where the samples are couriered with a commercial transport group to the ITS laboratory in Lae, PNG.
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> At this stage no audits have been undertaken.

Section 2 Reporting of Exploration Results – Awala EL2706, Abau EL2566.

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> The Exploration Titles were validly issued as Exploration Licences pursuant to the 1992 Mining Act. The Exploration Licence grants its holders the exclusive right to carrying out exploration for minerals on that land. There are no outstanding encumbrances or charges registered against the Exploration Title at the National Registry. Exploration Licence Applications (ELA) remain subject to granting by PNG authorities. LCL has a binding agreement to secure 100% of EL 2566 and EL 2391 subject to renewals.
Exploration done by other parties	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> Veri Veri & Iyewe Projects: Goldminex (ASX:GMX) 2006-2013. Drilling, stream sampling, soils, rock chips, trenching, aeromagnetics, VTEM. GMX sampling of rocks and trenches within this report was undertaken prior to

Criteria	JORC Code explanation	Commentary
		<p>2009.</p> <ul style="list-style-type: none"> Doriri Project: Historical explorers include INSEL, CRAE, Highlands Gold, PPM, PML. Historical work includes stream, soils, rock chips, trenching, drilling, aeromagnetics, ground magnetics and ground EM.
Geology	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> The discussed nickel projects are hydrothermal shear hosted nickel-sulphide targets.
Drill hole Information	<ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> NA
Data aggregation methods	<ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> NA

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • NA
Diagrams	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • Maps showing the location of rock photos, samples and VTEM maps are contained within this report.
Balanced reporting	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • Reporting is considered balanced.
Other substantive exploration data	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • The VTEM inversions were undertaken by Terra Resources Pty Ltd, Perth. The 2.5D inversions were performed after thorough QAQC on the raw digital data. Voxi software (GEOSOFT) was used for the inversions.
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Further surface work is being planned at the Veri Veri prospect. Terra Resources will undertake further 2.5D inversions covering Veri Veri and Iyewe.