

MEDIA RELEASE

Major new discovery in Cloncurry

Multi-billion-tonne gold and new economy metals mineral system

16 November 2020

A privately owned explorer, funded by mum-and-dad investors, has hit the jackpot; it has identified a previously unknown, multi-billion-tonne, gold-rich mineral system in its Cloncurry tenements.

Drilling recently confirmed the system is capable of hosting high-grade gold and new economy metals such as tungsten, cobalt, and highly sought-after heavy rare earth elements. This new discovery is a game-changer for the Company and will drive a new exploration focus in the Cloncurry District, according to Transition Resources founder David Wilson.

“Transition is the first to predict and then drill test this new gold-rich mineral system, with spectacular early results. The system is regionally extensive and also includes new economy metals including heavy rare earths, that could supercharge the in-ground value of any resources” he said.

“This discovery is an example of how, even in heavily explored brownfield areas, significant new discoveries are still possible” he added.

Drilling is at its infancy, but the potential of the new mineral system is highlighted by first-pass drilling, including from RC drill hole TR20HW039 that intersected high-grade gold and tungsten:

- *Total mineralised interval: **8m @ 6.13 g/t Au, 6,345 ppm WO₃** (from 23m)*
- *Including high grade zone: **5m @ 9.73 g/t Au, 10,154 ppm WO₃** (from 23m)*
- *Assay results for other metals, including REEs, are not yet available.*

No metal of any value is previously known to exist in the target area according to Mr. Wilson.



Drill hole HWRC039; chip tray record showing drill chips from 23-28m that intersected a sulphide-rich carbothermal unit. The interval shown returned an assay of 5m @ 9.73 g/t Au, 10,154 WO₃ (results for other metals awaited).

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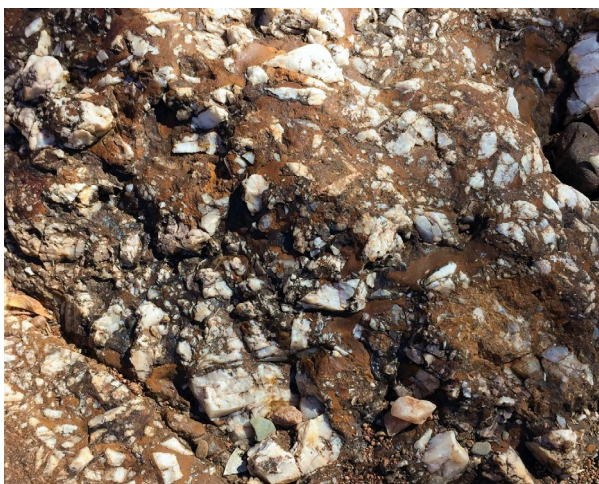
Recent RC drilling confirmed the gold and new economy metal potential of the new mineral system discovery.

“The discovery process is very early and being a new style of mineral system, there is no handbook to guide the way. However, it is abundantly clear that Transition has made one of the most exciting new discoveries in the Cloncurry District in decades” Mr. Wilson said.

The Cloncurry mineral belt of the North West Minerals Province hosts a diverse array of deposits, including a number of Tier One mineral systems. Despite its rich metal endowment, there has been a lack of discovery success of exploitable orebodies in recent decades.

Transition thought this might be due to mismatched exploration methodologies, and so adopted a strong early research and development focus, aimed at progressing an alternative mineral system model for the Cloncurry District. This led to the engagement of Emeritus Professor Ken Collerson who is an authority on rare earth elements and technology metal mineralisation. Professor Collerson’s alternative view on regional metal endowment aligned with Transition’s and in what seemed like a natural progression, he subsequently joined the Company in mid-2019.

Laboratory assays from surface samples collected along approximately 13 kilometres of the more than 21-kilometre-long identified mineral system, confirm its gold and new economy metal potential:



Example of quartz-rich breccia identified throughout the mineral system.

- * **Gold** (up to **112.0 ppm Au**)
- * **Scandium** (up to **273.3 ppm Sc₂O₃**)
- * **Ytterbium** (up to **314.2 ppm Yb₂O₃**)
- * **Tungsten** (up to **9,625 ppm WO₃**)
- * **Cobalt** (up to **1,881 ppm Co**)
- * **Yttrium** (up to **2,992 ppm Y₂O₃**)
- * **Neodymium** (up to **479.7 ppm Nd₂O₃**)
- * **Dysprosium** (up to **583.2 ppm Dy₂O₃**)

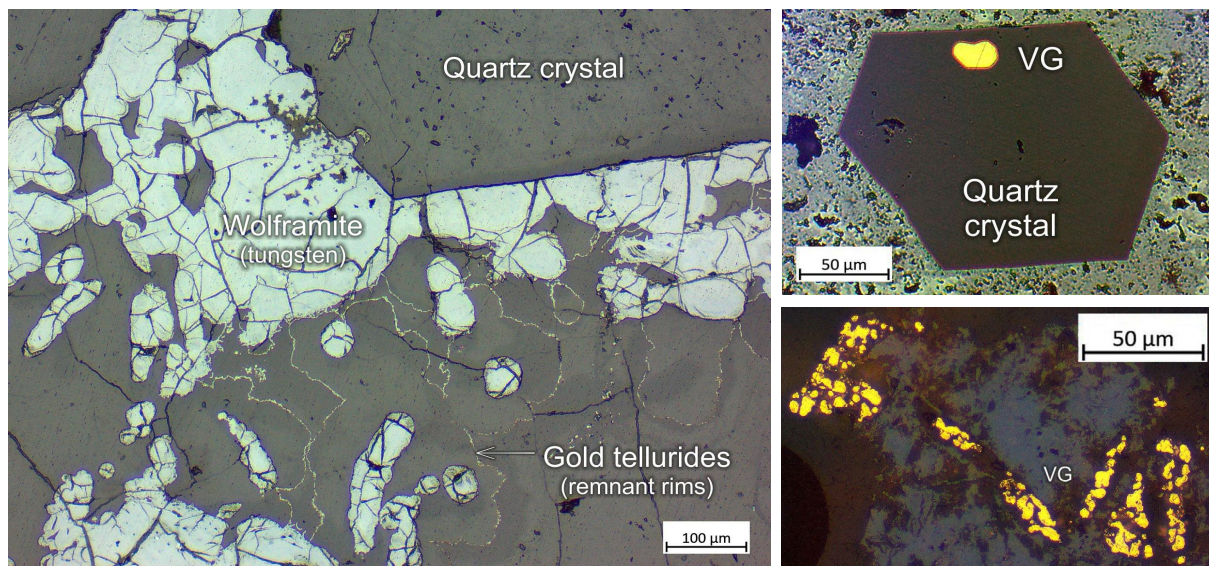
Transition's is developing a new mineral system model for Cloncurry that challenges existing crustal and metallogenic models and is leading a paradigm shift. It offers alternative exploration methodologies and in particular, explains the new economy metal endowment in these mineral systems, according to Professor Collerson.

"By re-evaluating the accepted regional geological model and providing an alternative explanation for the source of metals, new exploration methodologies can be developed and tested, leading to new discoveries." Prof. Collerson said.

"Through this process, and by recognising what others previously failed to recognise, Transition is turning overlooked exploration tenements into fertile new discovery opportunities" he added.

The new mineral system discovery includes gold-tellurides, which is no surprise and is consistent with the expectations of Transition's new mineral system model, according to Professor Collerson.

"Gold tellurides are typical of epithermal environments and are responsible for some of the world's highest-grade gold deposits e.g., Cripple Creek in Colorado and Ladolam on Lihir Island" he said.



Reflected light photomicrographs of polished thin sections from the new mineral system discovery, showing the tungsten mineral wolframite and gold tellurides (left image), visible gold enclosed in quartz crystal (top right) and native gold in breccia matrix (bottom right).

Transition Resources Pty Ltd was established in March 2018, has 3 directors, 11 personnel and 34 shareholders. Its primary assets include approximately 1040 square kilometres of exploration and mining tenements near the regional Queensland township of Cloncurry, within the world class Mt Isa Inlier. Its first field season commenced just 2 years ago in October 2018.

According to Mr Wilson, in just over 24 months Transition has undertaken an extensive, tenement-wide, surface geochemistry programme, including approximately 6,000 laboratory assays of soil, rock and drill chip samples, and some 20,000 sample readings using field portable X-ray fluorescence (pXRF). This ongoing programme is providing critical evidence to support a coherent scientific basis for Transition's new exploration model.

Transition has acquired over 250,000 high-resolution drone aerial images of its tenements and is successfully applying unique geobotany markers for remote prospect identification that it believes are

unknown by other explorers. It has also completed over 7000 metres of drilling and in the last 12 months it has compiled one of the most prospective, high-resolution, surface and sub-surface geophysical records of the Cloncurry region, according to Mr Wilson.

Transition was awarded a Collaborative Exploration Initiative (CEI) grant from the Queensland Government in February 2020, where it was 1 of only 7 successful applicants.

“Despite our tenements being some of the most densely mineralised and heavily explored in the region, historical exploration has been very localised and predominately focussed on copper, because the tenements have been poorly understood. Through our new mineral system model, Transition is applying new exploration methodologies and is seeing what others did not. It is like being the first to explore one of the most prospective areas on the planet” Mr Wilson said.



Drilling of the new mineral system discovery near Cloncurry Queensland.

Transition’s primary focus now is to learn more about its new discovery; how big, how rich, how extensive. Preparations for the next phase of drilling are underway.

“The sheer scale of this new mineral system is staggering. To do this discovery justice, it has become obvious that Transition must scale-up its activities significantly, and this means finding an ambitious investor/partner who sees what we see and will share our value-adding vision” Mr Wilson added.

Intersecting high-grade gold in the first ever drilling programme to target a potentially multi-billion-tonne mineral system, in the middle of a world class mineral province, may seem like beginners’ luck. However, to target an area where there are no known historical mines, no history of previous modern exploration activity, and no prior record of any metal enrichment whatsoever, clearly indicates more than just luck is at play, according to Mr Wilson.

“We believe this new mineral system discovery is part of a much bigger and evolving story. Based on our geological modelling, combined with the spectacular first-pass drilling results, it is fair to say the next phase of the programme should be extremely exciting” he said.

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Transition Resources Cloncurry Tenements

Granted Exploration Permits for Minerals (EPMs) = 1036 km²

Mining leases (MLs) = 51.5 hectares

