ASX RELEASE | 25 JULY 2024 | ASX:PR1

Pure Resources to Acquire Outcropping High-Grade Hard Rock Garnet Project on Live Mining Lease - Reedy Creek (WA)

HIGHLIGHTS

- PR1 is excited to have secured an option to acquire the Reedy Creek Garnet Project, **a hard-rock, high-grade, outcropping industrial garnet deposit** located in northeast WA.
- The Reedy Creek Project is situated on a **live mining licence and is close to established infrastructure and, importantly, Asian and World markets.**
- The project is dominated by andradite garnet with lesser grossular and almandine garnet
- The company will assess the **potential of near-term development with Mining Lease - M80/416 granted** until 2038 (and longer with standard extensions).
- **Due to the abundant outcropping hard-rock garnet source,** Pure will undertake the studies to monetise the asset by completing **trial mining**, campaign crushing, screening and ore-sorting using state of the art technology.
- PR1 will targeting established markets for jet cutting, abrasive blasting, water filtration, bonded abrasives and concrete aggregates in Australia, USA and Asia.
- **Given the scarcity of global high-grade hard rock garnet projects and the Pure will focus on higher margin end-products to supply the strong demand for hard-rock garnet.**
- Historical high-grade drill results from the Reedy Creek Project include:
    - **6m @ 78% garnet from surface** (GHR010)[1]
    - **10m @ 65% garnet from 2m** (GHR015)[1] and
    - **8m @ 49% garnet from surface** (GHR001)[1]
- Initial site visit completed focussing on sampling garnet skarn for preliminary, validation test work.
- The Company will conduct **a second site visit that will also assess the economic viability of industrial calcium carbonate (marble).**
- **High priority targets have been identified and will be targeted with upcoming mapping, sampling and drilling programs**.
- **Metallurgical test work results are pending following submission of 100kg of garnet skarn material** and will assist in determining the basket of end products the project will derive.
- The Company expects to engage a product marketing expert to consult with global end users.

[1]Refer to Appendix I.

Pure Resources Limited (**Pure** or **Company**) is pleased to announce it has entered into a binding option agreement to acquire the Reedy Creek Project located 90 kms north of Halls Creek, Western Australia (**Reedy Creek Project**) (the **Option**). The Reedy Creek Garnet Project consists of the live mining lease M80/416 that covers an area of 359.60 ha and has been granted until 2038.

Pure's Executive Chairman, Mr Patric Glovac, commented:

"We are excited to announce we have entered into an agreement to acquire the Reedy Creek Garnet Project which represents a very unique, high-quality, hard rock garnet project with abundant outcropping garnet with grades up to 78% from surface. The Reedy Creek Project has the potential to be one of only three commercially viable hard rock garnet mines in the world

"Industrial garnet is used in a wide variety of applications including water filtration, high-precision jet cutting and abrasive blasting to name a few, and is an industrial mineral with excellent long-term growth market potential of up to 7.5% CAGR.

With the Project being situated on a granted mining lease, we are confident of rapidly progressing the project through feasibility and mining studies with a view to becoming the next Australian garnet producer and one of the few hard-rock garnet producers.

With the low dilutive nature of the transaction, the company continues to assess acquisition opportunities, with a focus on advanced copper, gold and rare earths and will also look to update the market on the further precious metal potential at its current West Australian gold projects."

The Reedy Creek Garnet Project

Background

The Reedy Creek Garnet Project represents a high-grade industrial garnet deposit located 90km north of Halls Creek, situated adjacent to the Great Northern Highway and established infrastructure. The Wyndham port is approximately 280km by road (Figure 1). The mapped garnet skarn sits within a granted mining lease (**M80/416**) and outcrops over a strike length of ~5 km with significant potential for resource growth outside of current drilling extents. Historical drilling and mapping have identified multiple lenses of garnet, of variable thickness and are hosted within a thick marble horizon.

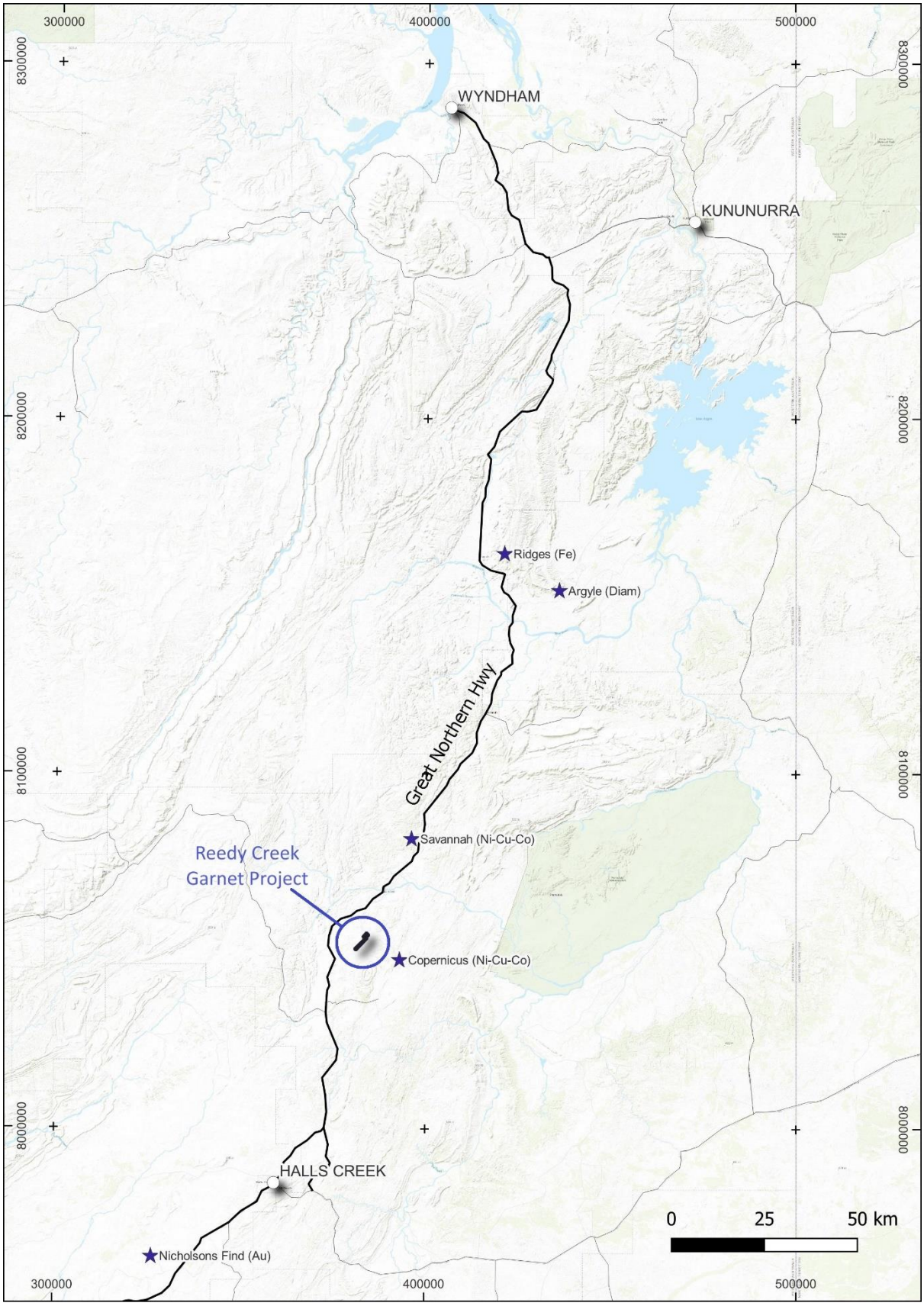

Figure 1: Location of the Reedy Creek Garnet Project

The Reedy Creek Project is dominated by andradite garnet with lesser grossular and almandine garnet. In terms of garnet content (adjusted to 100%), andradite garnet comprises 66%, grossular garnet comprises 24% and almandine garnet comprises 10%.

Andradite garnet has a specific gravity (S.G.) ranging from 3.8 – 3.9 with These two characteristics (hardness and specific gravity) having the major influence on the performance of the garnet in abrasive and cutting applications. The hardness and S.G. (along with particle size and shape) dictate the impact potential of the garnet as well as its recyclability (wear characteristics). Consequently, andradite garnet is considered a high-quality raw material for industrial applications.

The other characteristics that are of major importance are particle size and shape. For abrasive applications the ideal material will have a high degree of sphericity (round particles) but also a high degree of angularity (not smooth but rough sphere). The two main types of garnet occurrences are alluvial/eluvial and hard rock. Whilst alluvial/eluvial garnet resources are easier to process and generally have higher degrees of sphericity they are often less angular because they have been worn over time by the action of water. To this end, hard rock garnet sources, such as the Reedy Creek Project, are generally considered to be superior in terms of their ability to generate garnet products with both high sphericity and angularity (depending on the processing methodologies and taking the nature of the garnets in the host rock into account).

Garnet is also highly sought after to meet the increasing needs of water filtration required for potable water, reverse osmosis plants, aquafarming and reticulated irrigation. Garnet is a high-density water filtration media used to remove fine particulate and to keep the silica bed static during rigorous backwash.

Geology & Exploration

Garnet mineralisation at Garnet Hills represents a 1.1 km long hard rock skarn deposit occurring in the high grade metamorphic Tickalara Formation of the Halls Creek Orogen. The Tickalara metamorphics have undergone multiple phases of structural deformation with folding affecting the geometry of the garnet lenses and a major NE trending cross-structure offsetting the prospective stratigraphy (Figure 2). The garnet skarn is associated with subordinate accessory skarn minerals including epidote, quartz, diopside, calcite, actinolite, wollastonite and trace sulphides.

Although mapped over a strike extent of 1.1km, the bulk of the historical exploration has only been completed in the north-eastern portion of the tenement where 57 drillholes for 1,373m have been completed targeting the outcropping garnet lenses (Figure 2). Drilling has been sporadic and only completed down to 40m vertical depth, however, despite the relatively limited amount of drilling, significant widths and grades of garnet have been intersected with the lenses remaining open at depth (Figure 3 & Appendix I).

Hole ID	Garnet (%)	Interval (m)	From (m)	To (m)	Notable intervals
GHR001	48.71	8	0	8	8m @ 49% garnet from surface
GHR010	78.38	6	0	6	6m @ 78% garnet from surface
GHR015	65.42	10	2	12	10m @ 65% garnet from 2m

Table 1: Significant Historical Intercepts.

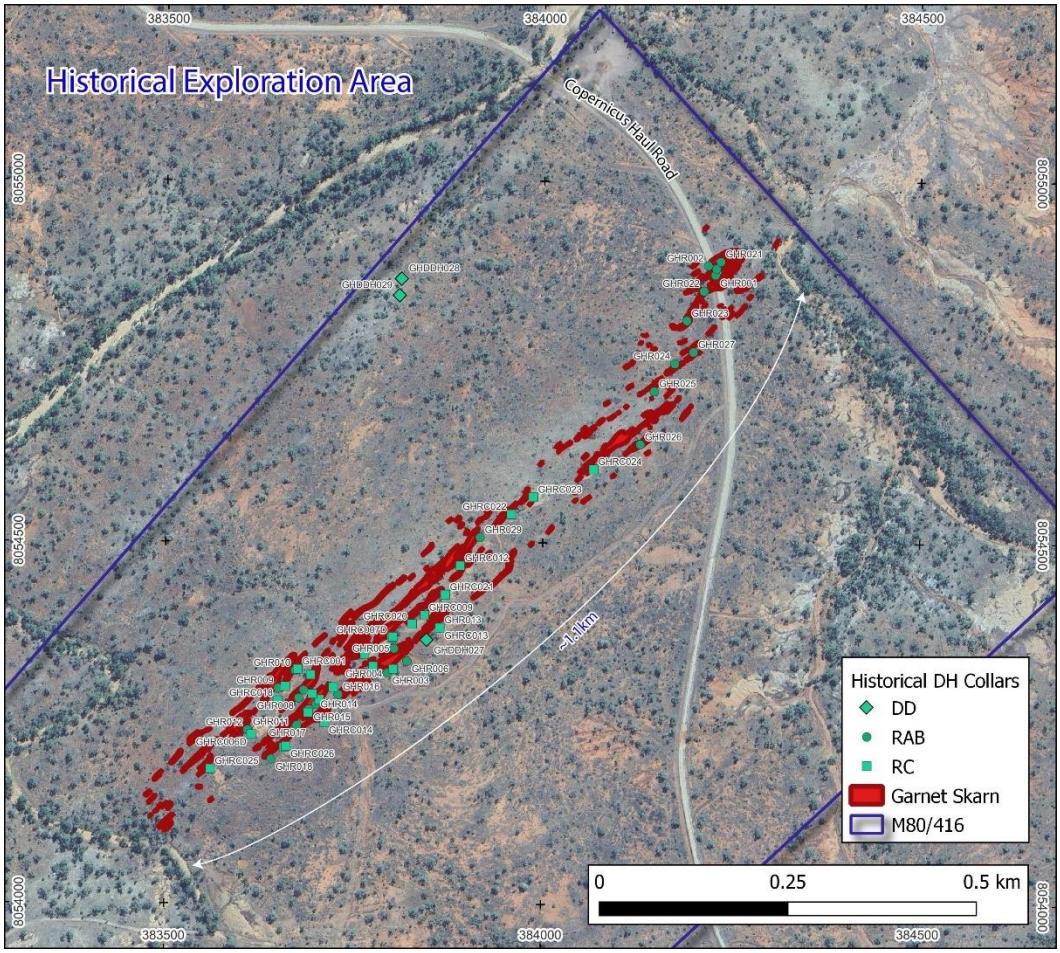

Figure 2: Historical exploration area.

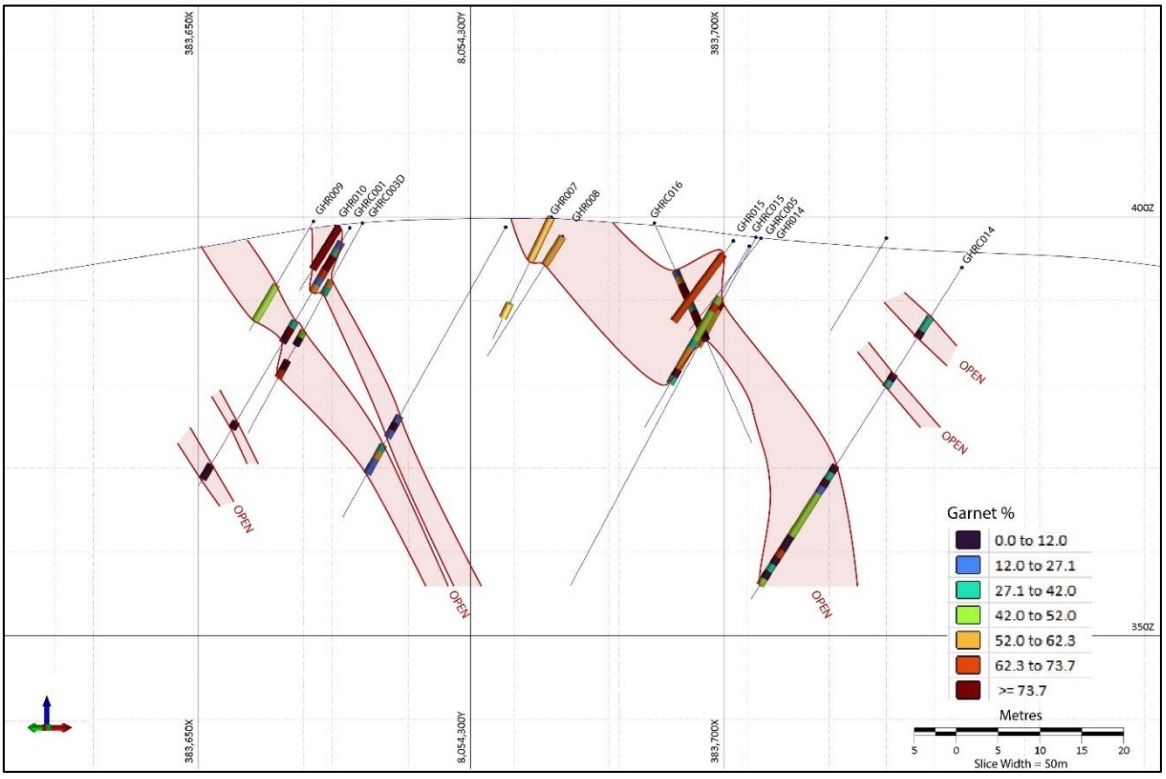

Figure 3: Cross-section

Next steps

The Company is currently completing detailed due diligence and compiling all available data for further review and interpretation. Company geologists are also undertaking an additional field trip in the coming weeks to complete further mapping, sampling and to prepare for drilling to be completed in Q4-CY2024. Samples collected will be sent for further characterisation and met test work, while the aim of the drilling will be to deliver a maiden resource for the Project. The Company will update the market with progress on the due diligence and site visit as results come to light.

Garnet Hill Acquisition Terms

Pure has entered into a binding option agreement (**Option Agreement**) pursuant to which the Company has the exclusive option (**Option**) to acquire hundred per cent of the issued capital of Garnet Hills Pty Ltd (**Garnet Hills**) from the shareholders of Garnet Hills (**Vendors**). Garnet Hills is the registered holder of the mining lease making up the Reedy Creek Project.

The Company paid a non-refundable option fee of $30,000 and has a three (3) month period to exercise the Option in respect of the Reedy Creek Project (**Exclusivity Period**). During the Exclusivity Period, Pure will undertake due diligence and may, at any time, excise the Option.

In the event the Company exercises the Option, to make deferred cash payments and (subject to shareholder approval) share issues subject to satisfaction of certain milestones, as detailed below:

Milestone 1: Subject to Pure announcing to the ASX, within nine (9) months of the date of the Option Agreement, that all costeaning, bulk sampling and metallurgical test work has been completed on the Reedy Creek Project, Pure must pay the Vendors (or their respective nominees) a total of $125,000 in cash;

Milestone 2: Subject to Pure announcing to ASX, within twenty-one (21) months of the date of the Option Agreement, that it has completed a positive Scoping Study on the Reedy Creek Project (Garnet Resource Specific) in accordance with the JORC Code, Pure must:

- pay the Vendors (or their respective nominees) a total of $187,500 in cash; and
- subject to Pure obtaining prior approval from its shareholders, issue to the Vendors (or their respective nominees) a total of 625,000 Shares, representing $62,500 worth of Shares at a deemed issue price of $0.10 each;

Milestone 3: Subject to Pure announcing to ASX, within forty (40) months of the date of the Option Agreement, that Pure has made decision to develop, construct and commence mining operations within the Reedy Creek Project, Pure must:

- pay the Vendors (or their respective nominees) a total of $350,000 in cash; and
- issue to the Vendors (or their respective nominees) a total of 2,500,000 Shares, representing $250,000 worth of Shares at a deemed issue price of $0.10 each.

On and from completion, the Company grants the Vendors (or their respective nominees) a 2% gross revenue royalty (**Royalty**) over all garnet and CaCO3 extracted from the Reedy Creek Project. Pure has the right to buy back 1% of the Royalty for $500,000.

The Vendors are non-related parties of the Company.

The Company will issue 1,507,500 shares to a non-related party (**Facilitation Shares**), for introducing and facilitating the Option.

Capital Raising

The Company has successfully raised $350,000 through a placement via the issue of 3,500,000 shares at an issue price of $0.10 each together with a total of 3,500,000 free attaching options on a 1:1 basis exercisable at $0.25 on or before 10 April 2025 (being the same terms and conditions as the existing 'PR1OA' options) (**Placement**) pursuant to the Company's available placement capacity under Listing Rules 7.1 and 7.1A.

To offer existing shareholders the opportunity to participate in the capital raising, the Company will undertake a non-renounceable entitlement issue to eligible shareholders on a 1:10.71 basis to raise an additional $350,000 through the issue of 3,500,000 shares and 3,500,000 free attaching PR1OA options on a 1:1 basis (being the same terms as the Placement (**Rights Issue**).

The Rights Issue is being made to all shareholders of the Company named on its register of members at the Record Date, whose registered address is in Australia or New Zealand (**Eligible Shareholders**). Full details of the Rights Issue will be set out in the prospectus anticipated to be lodged by the Company on the ASX on 2 August 2024 and anticipated to be despatched to the Eligible Shareholders on 13 August 2024

The indicative timetable for the Rights Issue is detailed below.

EVENT	**DATE**
Announcement of Offer and lodgement of Appendix 3B with ASX	Thursday, 25 July 2024
Lodgement of Prospectus with ASIC and ASX (after commencement of trading)	Friday, 2 August 2024
"Ex" date	Wednesday, 7 August 2024
Record Date for determining shareholders entitled to participate in the Offer	Thursday, 8 August 2024
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders, and Company announces that this has occurred	Tuesday, 13 August 2024
Opening date of the Offer	Tuesday, 13 August 2024
Last day to extend Closing Date of the Offer	Monday, 19 August 2024
Closing Date (5.00pm WST)	Thursday, 22 August 2024
Securities quoted on a deferred settlement basis	Friday, 23 August 2024
Announcement of results of the Offer	Thursday, 29 August 2024
Last day for the Company to issue Securities under the Offer and lodge an Appendix 2A	Thursday, 29 August 2024

Notes:

1. These dates are indicative only. The Directors reserve the right to vary the key dates, subject to the Listing Rules.

2. The Directors may extend the Closing Date by giving at least three Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Securities are expected to commence trading on ASX may vary.

- END -

This announcement is approved for release by the Board of Pure Resources Limited.

Mr Patric Glovac
Executive Chairman
Pure Resources Limited

About Pure Resources

Pure's vision is to become an eminent battery metal focussed company on the ASX, either through its existing portfolio of nickel and copper assets, generation of new projects, or acquisitions of existing projects presented to the Company with a strong determination to add Lithium, Rare Earths or Graphite to the company's portfolio.

Competent Persons Statement

The information in this report which relates to Exploration Results is based on information compiled by Dr. James Warren, a Competent Person who is a member of the Australian Institute of Geoscientists. Dr. Warren is a Non-Executive Director of Pure Resources Limited. Dr. Warren has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr. Warren consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Appendix I.

Drill Collar Positions

Hole ID	Depth (m)	Easting (m)	Northing (m)	Azimuth	Dip	Drill Year
GHR001	8	384228	8054871	343	-60.0	2019
GHR010	9	383673	8054322	320	-57.5	2019
GHR015	12	383691	8054268	316	-53.0	2019

JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.*	• No sampling has been completed by the Company. • Previous sampling was completed by Garnet Hills Pty Ltd. • The historical data comprises outcrop mapping, rock chip sampling, drillhole logging and assay data, and metallurgical test work. • The historical drillhole database contains 57 drillholes for 1,373m • The Company has completed preliminary due diligence and is currently compiling, reviewing, and interpreting all available data. • The Company will update the market with material information that is encountered during the due diligence process.
Drilling techniques	• *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).*	• The historical drillholes database contains 57 drillholes for 1,373m and includes; • 27 RAB holes for 366m • 26 RC holes for 916.3m • 3 Diamond holes for 90.9m • The details of the drilling techniques and equipment used are currently unclear. • The Company is planning to undertake a ~5,000m drilling campaign to verify and validate the historical data.
Drill sample recovery	• *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*	• No information of sample recovery has been collected in the historical drillhole database. • At this stage, the Company cannot verify if a relationship exists between sample recovery

Criteria	JORC Code explanation	Commentary
	samples. • *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.*	and grade. • The Company is planning to undertake a ~5,000m drilling campaign to verify and validate the historical data.
Logging	• *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All holes were logged in full and record geological information such as colour, weathering, lithology, structure, mineralisation and any other observations of importance. • The Company's opinion is that further drilling needs to be completed before meeting the appropriate level of detail for resource estimation or mining studies.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No information of sub-sampling techniques has been collected in the historical drillhole database. • At this stage, the Company cannot verify the measures to ensure sample representivity. • The Company is planning to undertake a ~5,000m drilling campaign to verify and validate the historical data.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and*	• The Company is required to complete its own test work to determine the appropriateness of assaying completed historically. • No information on QAQC procedures has been stored in the historical database and it has not been established if accuracy and precision levels are acceptable.

Criteria	JORC Code explanation	Commentary
	whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• The Company is planning to undertake a ~5,000m drilling campaign to verify and validate the historical data. • All data reported has been collected historically and has been reviewed by the Competent person, however further work is required to ensure the validity of the historical data.
Location of data points	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Data has been recorded historically using a handheld GPS with an accuracy of +/- 3m • The coordinate reference system is GDA94/MGA zone 52 (EPSG: 28352)
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Data spacing and distribution is sporadic due to the early stage nature of exploration. • Further work is required to establish the degree of geological and grade continuity.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	• Historical drilling has generally been completed perpendicular to the geology. • At this stage, the Company is unable to tell if sampling bias has occurred and is required to complete further work.
Sample security	• *The measures taken to ensure sample security.*	• Unknown
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No external audits or reviews have been completed. • The Competent Person has reviewed the historical data and completed preliminary interpretation. • The Company is completing due

Criteria	JORC Code explanation	Commentary
		diligence to verify the historical data.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.* • *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.*	• The Reedy Creek Project is situated on granted Mining Lease M80/416 which is held by Garnet Hills Pty Ltd. • The Company has entered into an Agreement to acquire 100% of the holding company.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous sampling was completed by Garnet Hills Pty Ltd. • The historical data comprises outcrop mapping, rock chip sampling, drillhole logging and assay data, and metallurgical test work. • The historical drillholes database contains 57 drillholes for 1,373m and includes; • 27 RAB holes for 366m • 26 RC holes for 916.3m • 3 Diamond holes for 90.9m • The details of the drilling techniques and equipment used are currently unclear. • The Company is planning to undertake a ~5,000m drilling campaign to verify and validate the historical data. The Company has completed preliminary due diligence and is currently compiling, reviewing and interpreting all available data. • The Company will update the market with material information that is encountered during the due diligence process.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Garnet mineralisation at Garnet Hills represents a 5 km long hard rock skarn deposit occurring in the high grade metamorphic Tickalara Formation of the Halls Creek Orogen. • The Tickalara metamorphic have undergone multiple phases of structural deformation with

Criteria	JORC Code explanation	Commentary
		folding affecting the geometry of the garnet lenses and a major NE trending cross-structure offsetting the prospective stratigraphy (Figure 2). • The garnet skarn is associated with subordinate accessory skarn minerals including epidote, quartz, diopside, calcite, actinolite, wollastonite and trace sulphides.
Drill hole Information	• *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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *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.*	• Drillhole information is provided in the body of the text and appendices.
Data aggregation methods	• *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.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No data aggregation methods used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to*	• Historical drilling has generally been completed perpendicular to geology • The geology dips 40-60 degrees SW with drilling intersecting the

Criteria	JORC Code explanation	Commentary
	the drill hole angle is known, its nature should be reported. • *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').*	geology roughly perpendicular. • True widths are interpreted to be 80-90% of downhole widths. • Further drilling is required to validate these observations.
Diagrams	• *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.*	• Appropriate diagrams are provided in the body of the text.
Balanced reporting	• *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.*	• The Company has reported all material information available at the time. • The Company is undergoing thorough due diligence of the Project and will update the market as material results come to light.
Other substantive exploration data	• *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.*	• The Company has reported all material information available at the time. •
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The Company is to complete further field mapping and sampling in the coming weeks. • Following this, the Company will complete ~5,000m of confirmatory drilling to validate the historical data.