STRATA MINERALS LTD

Completion of Penny South Gold Project Acquisition

Highlights:

- Strata Minerals Ltd (previously NickelX Ltd) has completed the 100% acquisition of the Penny South Gold Project (E57/1045) which significantly bolsters West Australian Gold exploration portfolio
- The Penny South Gold Project ("Penny South Project") located in a world class gold district and ~550m south of one of Australia's highest grade producing gold mines[1] ("Penny"), owned and operated by Ramelius Resources Limited (ASX:RMS) ("Ramelius"):
    - Penny Mine Project (Penny West/Penny North) is estimated to contain 440,000t of ore at a grade of 22g/t Au (320,000oz Au)[2]
        - The Penny West mine produced 154,000t at 18g/t Au (89,000 Au) in the early 1990's[3]
        - The Penny North deposit of 569,000t at 16.8g/t (306,000oz) was discovered by Spectrum Metals Limited and subsequently subject to takeover by Ramelius for >$200M during 2020[4], with the deposit now being mined and extended
- The Penny West Shear continues south into the Penny South Project with ~2.5km of strike contained within the Project
- Average historical drill hole depth across the Penny South Project is ~42m, with only 18 holes deeper than 100m and 7 holes deeper than 200m[5,6], with no diamond drilling
- Historic drilling within Penny South Project has encountered various significantly anomalous intersections of gold mineralisation[6]
- Review of all available Penny South Project data ongoing and the company looks forward to updating shareholders in the coming weeks

Strata Minerals Limited (ASX: SMX or "the Company") is pleased to advise that it has completed the 100% acquisition of the Penny South Gold Project (E57/1045).

Commenting on the acquisition Managing Director Peter Woods said:

"We are extremely pleased to have completed this strategic acquisition of the highly prospective Penny South Gold Project following shareholder approval. Securing this asset which is next door and along strike 550m south to one of the highest-grade producing gold mines in Western Australia is very exciting.

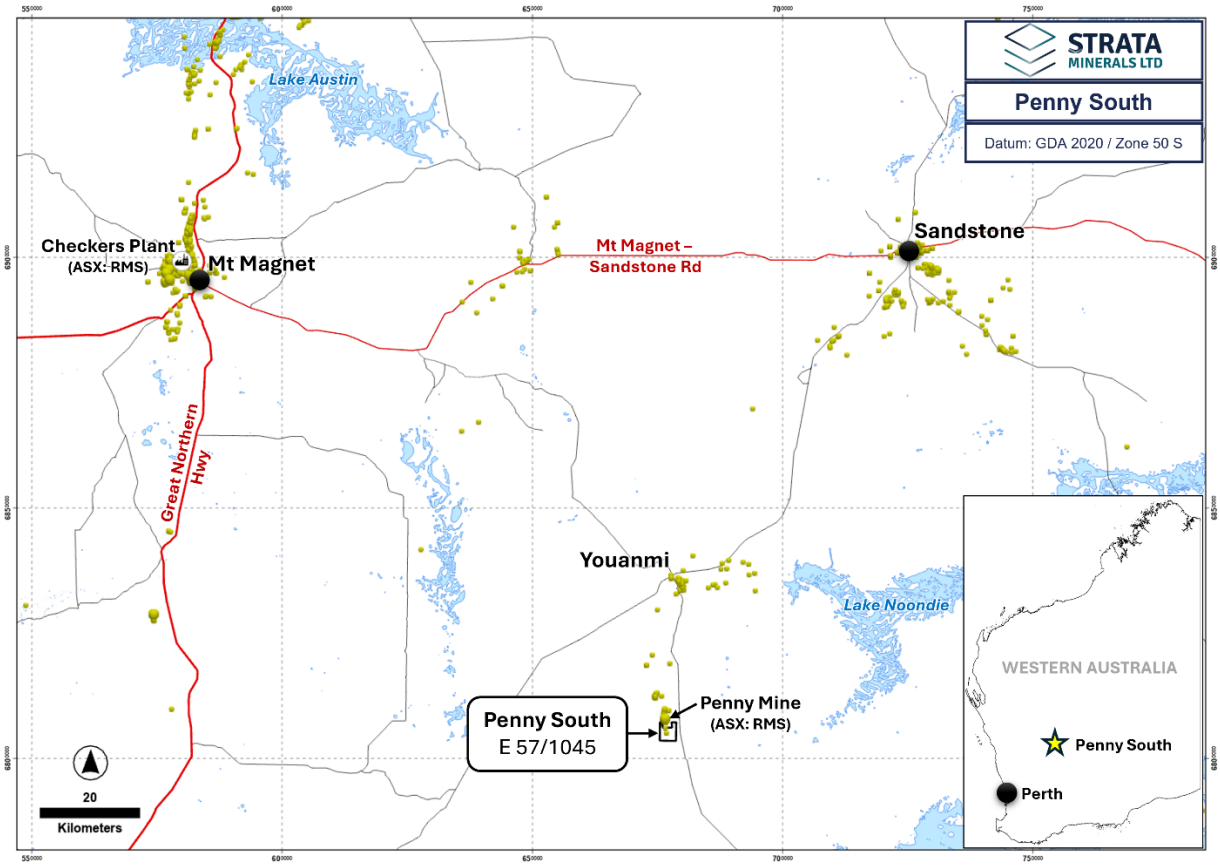
[1] ASX.SPX Announcement 16th October 2018 "SPX acquires one of the highest grade historic open pit gold mines in WA"
[2] Diggers and Dealers presentation 5th August 2024, Ramelius Resources Limited (ASX:RMS)
[3] ASX.RMS Announcement 30th June 2020 "Ramelius extends Life of Mine Plan by 34% to 1.45Moz Au"
[4] ASX.RMS Announcement 10th February 2020 "Ramelius makes Recommended Takeover Offer for Spectrum Metals
[5] ASX.AUE Announcement 8th March 2022 Penny South Drilling Programme Completed
[6] ASX.AUE Announcement 29th October 2021 "Prospectus"

We are thankful for the support shown by shareholders to approve the acquisition as we continue to transform the company and now look forward to rapidly progressing the project.

The Company is of the view that the project has not yet been fully tested at depth and we are eager to unlock any potential value."

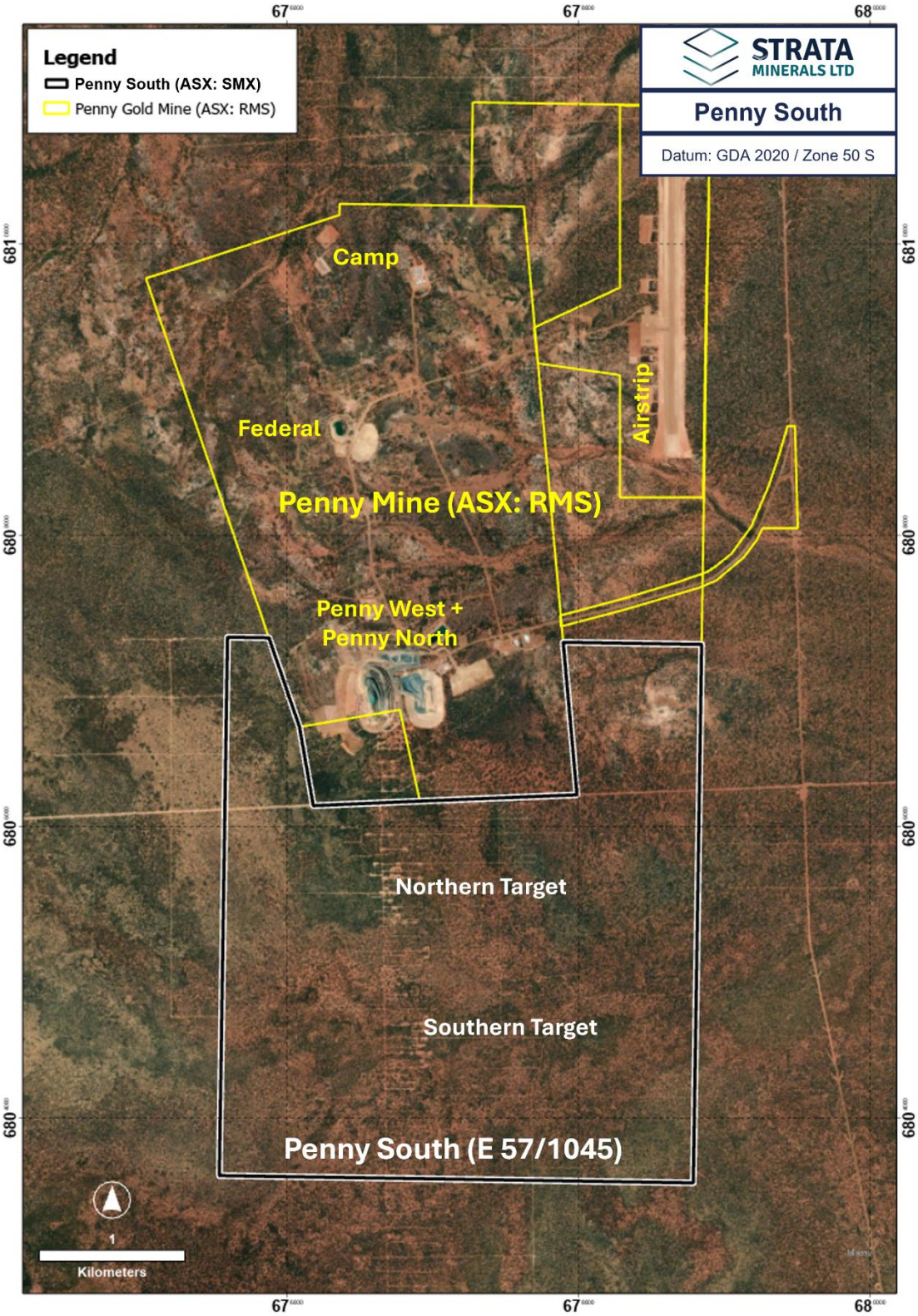
Penny South Gold Project, WA

The Penny South Gold Project (E57/1045) (Map 1) lies only 550m south of Ramelius' operating Penny West/North gold mine project (Map 2), which is estimated to contain 440,000t of ore at 22g/t Au (320,000oz Au) ("Penny")[7]. SMX's Penny South Gold Project captures a ~2.5km strike extension of the Penny West Shear immediately south of Ramelius' Penny deposits, southern Youanmi Greenstone Belt (Map 3).



Map 1: Location of the Penny South Project (E57/1045).

[7] Diggers and Dealers presentation 5th August 2024, Ramelius Resources Limited (ASX:RMS)



Map 2: Penny South Project (E57/1045) immediately south of the high-grade Penny West/North (Penny) Gold Mine owned and operated by Ramelius Resources Limited (ASX:RMS).

As at the Penny deposits, tenement E57/1045 contains limited outcrop and with the prospective bedrock almost everywhere overlain by 1-30m of windblown sand and other sediments.

Historic drilling at the Penny South Project has encountered various significantly anomalous intersections of gold mineralisation, which are currently being compiled and assessed. Over 1,000 drill holes have been completed within E57/1045, mostly RAB and AC holes with RC holes accounting for only ~3% of the drill holes. The average downhole length of the historic drill holes within the Penny South Project is ~42m with only 18 holes deeper than 100m and 7 holes deeper than 200m. There has been no diamond drilling completed at the Penny South Project.

Spectrum Metals Limited, which owned the Penny West Project prior to being taken over by Ramelius in 2020 for ~$215M, reported outstanding exploration success at Penny North and at the southern end of the Penny West pit within deeper drill holes beneath cover. Strata intends to utilise a similar exploration strategy to reinterpret all available data and to test targets at depth.

Acquisition Consideration at Settlement

The Company has issued/paid the following to Aurum Resources Limited (ASX:AUE) ("Aurum"), the vendors of the Penny South Gold Project (E57/1045), as part of the Consideration for the acquisition:

A$60,000 in cash and 3,000,000 shares at a deemed price of $0.02 ($60,000) to acquire 100% of the Project.

A deferred cash consideration of A$500,000 is to be paid upon the achievement of at least 50,000oz Au resource as defined in the JORC Code (2012 Edition) with a grade of at least 1 g/t or more; and a further $500,000 to be paid for every additional 50,000oz Au resource with a grade of at least 1 g/t or more, within 5 years following Completion of the acquisition.

The issue of the Consideration Shares was approved by Shareholders at the Company's General Meeting of Shareholders on the 12 September 2024.

The Company will also assume an existing 1% royalty on the Penny South Project tenement.

Location and Access Details

Tenement E57/1045 is located approximately 450km northeast of Perth and 100km southwest of Sandstone (Map 1). Access to the tenement is via the Great Northern Highway and the unsealed Paynes Find to Sandstone Road as far as Youanmi and then southwards on the Youanmi to Lake Barlee Road. Access within the tenement area is via fence line tracks and historic exploration tracks. The licence E57/1045 currently consists of 4 blocks covering 9.95km2.

The Penny South Project lies directly to the south of the Penny West/North Gold Project which contains owned and currently being mined by Ramelius (Map 2).

Geological Summary[8]

Tenement E57/1045 is located at the southern end of the Youanmi Greenstone Belt, which straddles the boundary of the Murchison and Southern Cross Domains that is marked by the regionally extensive Youanmi shear zone.

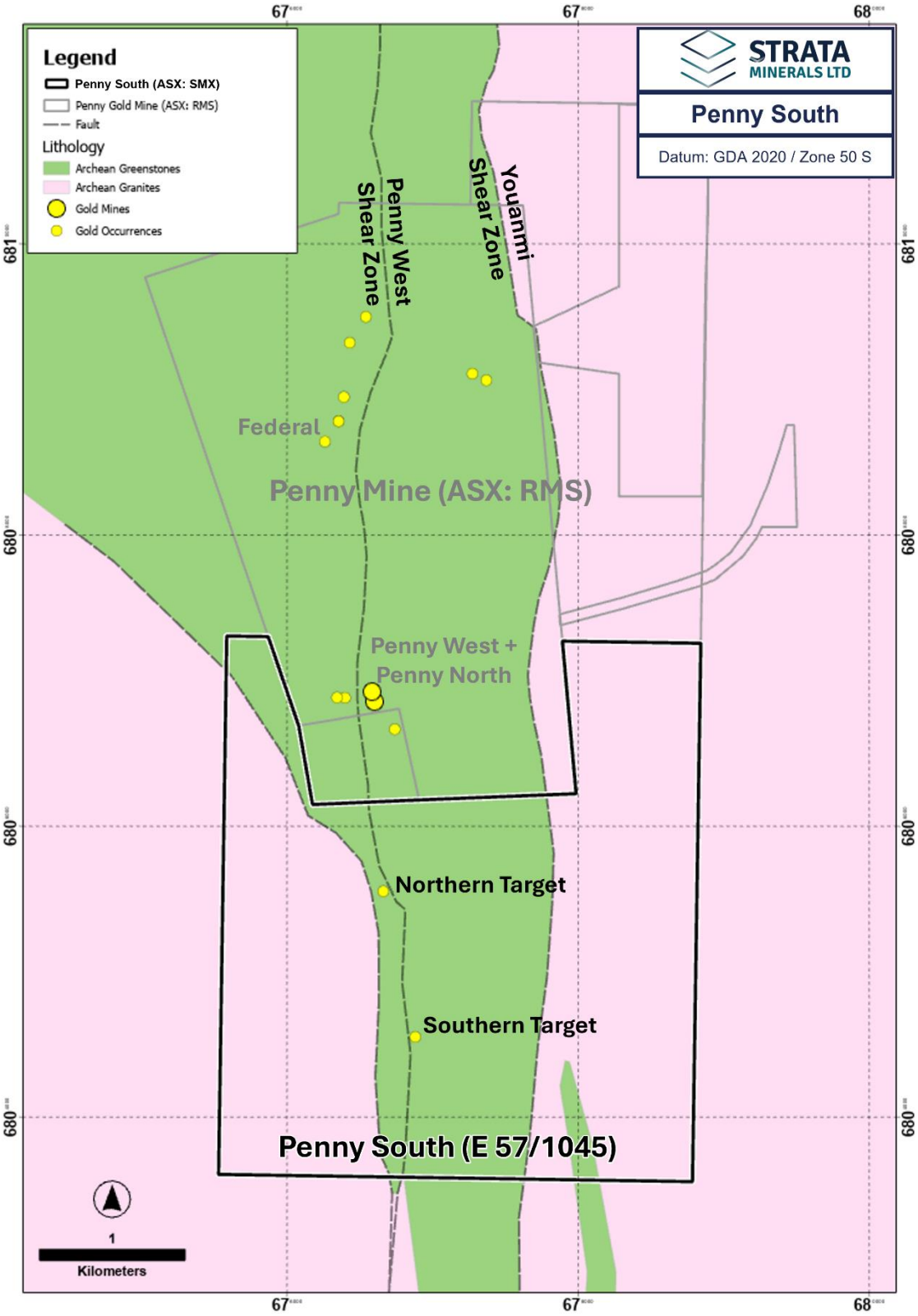
The Project lies to the south of the historic Penny West gold mine and covers approximately 2.5km of strike of the Youanmi Greenstone Belt, dominated by mafic and ultramafic rocks (Map 3). There is very little outcrop of the Archaean basement lithologies with the vast majority of the Project area covered by aeolian sand and other transported sediments reportedly up to 30m thick, averaging around 10m in thickness.

Gold mineralisation at the Penny South Project is controlled by the Youanmi shear zone and hosted in the hanging wall of mafic schists. Historic drilling across E57/1045 reveals a sequence of north-south striking mafic and ultramafic rocks of variable magnetic intensity from non- to moderately magnetic. Analytical and lithological data suggest that the historic gold intercepts are associated with quartz veins, sheared geological contacts and granodiorite.

The Penny West gold mine host stratigraphy to the north is a sequence of steeply dipping mafic and ultramafic rocks with minor felsic intrusive where gold mineralisation is associated with steeply east dipping quartz-sulphide veins up to 5m in width. The Penny West mineralisation at the base of the historic open pit (80m depth) to the base of drilling at 220m depth indicates the mineralised lode dips to the east at 65-80° with strike extent of 300m. The main lodes typically have sharp boundaries controlled by shears and minor zones of discontinuous mineralisation occur in the hangingwall of the main lodes. The deposit is characterised by structurally controlled gold-quartz veins in a brittle-ductile shear zone. High grade gold is typically associated with sulphides such as pyrite, pyrrhotite, galena, sphalerite and chalcopyrite.

Mineralisation at Penny North is considered contemporaneous in origin to Penny West and is characterised by abundant vein quartz and sulphides. From drilling, the mineralisation has been interpreted to have an upper limit of 80m below surface and extend to a depth of 320m below surface with the orebody modelled as a gently south plunging shoot with a north-south extent of 400m and a vertical extent of 240m. The mineralisation is developed along a contact between gabbro and granodiorite. Wall rocks are typically mylonitic and display albite and sericite alteration. The quartz veins are variably massive, laminated or brecciated with a highly variable sulphide assemblage of pyrite, pyrrhotite, galena, sphalerite and chalcopyrite.

[8] ASX.AUE Announcement 29th October 2021 "Prospectus"



Map 3. Local geology highlighting the Penny West Shear Zone at the Penny South Project (E57/1045)

Next Steps

The Company, together with its consultants, are compiling and reviewing all geological, geochemical, and historic drill hole data with the aim to define high priority drilling targets at depths greater than 80m below surface, a search space that has been neglected by previous explorers. The Company is also investigating the use of electrical geophysics such as IP and/or EM in the search for Penny-style quartz-sulphide lodes.

Notice pursuant to Section 708A(5)(e) of the Corporations Act 2001

The Company gives notice pursuant to section 708A(5)(e) of the Corporations Act 2001 (Cth) ("Corporations Act") that:

1. on 26 September 2024 the Company issued 3,000,000 Shares in respect of the Penny South Gold Project acquisition;
2. the Company issued those Shares without disclosure to investors under Part 6D.2 of the Corporations Act;
3. the Company is providing this notice under section 708A(5)(e) of the Corporations Act;
4. as at the date of this notice, the Company has complied with:
    a. the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
    b. sections 674 and 674A of the Corporations Act; and
5. as at the date of this notice, there is no "excluded information" within the meaning of sections 708A(7) and 708A(8) of the Corporations Act which is required to be disclosed by the Company.

Authorised for ASX release by the Board of the Company.

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ABOUT STRATA MINERALS LIMITED

Strata Minerals Limited is an Australian, ASX listed, exploration company with a strategic focus on acquiring, exploring and developing mineral projects in world class jurisdictions. The company's primary focus is the Penny South Gold Project in Western Australia, the Elliot Lake Uranium Project which is highly prospective for uranium and rare earths, and the Biranup Project which is highly prospective for gold.

Forward Looking Statements

Some statements in this announcement regarding estimates or future events are forward-looking statements. 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”, “could”, “nominal”, “conceptual” and similar expressions. Forward-looking statements, opinions and estimates included in this announcement 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. Statements regarding plans with respect to the Company’s mineral properties may also contain forward looking statements.

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 expressed or implied by such forward-looking statements. These risks and uncertainties include but are not limited to liabilities inherent in exploration and development activities, geological, mining, processing and technical problems, the inability to obtain exploration and mine licenses, permits and other regulatory approvals required in connection with operations, competition for among other things, capital, undeveloped lands and skilled personnel; incorrect assessments of prospectivity and the value of acquisitions; the inability to identify further mineralisation at the Company’s tenements, changes in commodity prices and exchange rates; currency and interest rate fluctuations; various events which could disrupt exploration and development activities, operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions; the demand for and availability of transportation services; the ability to secure adequate financing and management's ability to anticipate and manage the foregoing factors and risks and various other risks. There can be no assurance that forward-looking statements will prove to be correct.