



AVIRA RESOURCES  
LIMITED

28 May 2020

The Manager  
Market Announcements Office  
Level 40, Central Park  
152-158 St Georges Terrace  
PERTH WA 6000

## COMMENCEMENT OF EXPLORATION ACTIVITIES & CAPITAL RAISING

### PREPARATIONS UNDERWAY TO COMMENCE EXPLORATION ON THROSSEL RANGE AND MOUNT MACPHERSON PROJECTS IN THE PATERSON RANGE

#### HIGHLIGHTS

- **Avira has completed a comprehensive geological review of its two Paterson Range project areas, Throssel Range (E45/5572) and Mount Macpherson (E45/5567) (the Projects), located in North Western Australia.**
- **Key geological features have been identified within these Projects that indicate prospectivity for multi-element base and precious metals resources including copper, cobalt and gold.**
- **Significant areas of the Projects are outcropping providing substantial advantages for modern exploration techniques such that conventional soil geochemistry can be effective, structures mapped and better understood and superior resolution with deeper penetration of VTEM may be expected.**
- **Avira has engaged a logistics reconnaissance team and expects to commence field exploration activities including; airborne geophysics, ground-based mapping and geochemical programs in order to determine and prioritise prospective drill targets within the current quarter.**
- **The Company is currently evaluating additional high impact acquisition opportunities within the precious and base metals sectors consistent with the Company objective of adding shareholder value.**
- **Avira has signed a mandate with CPS Capital Group Pty Ltd to facilitate the completion of a share placement to raise A\$500,000 via the issue of 250,000,000 ordinary shares.**
- **CPS has confirmed that it has received firm commitments totalling \$500,000 with the placement being subject to shareholder approval to be sought as soon as practicable.**

Avira Resources Limited (ASX:AVW) (**Avira** or the **Company**) is pleased to advise that it has commenced preparations for its planned exploration program, including initial field reconnaissance and the engagement of geochemical field and airborne geophysics services.

Commencement of these preparatory exploration activities is in anticipation of the imminent grant of exploration licences related to its Paterson Range projects.



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Avira holds two tenements in the Paterson Province of Western Australia, a highly prospective Neoproterozoic metasedimentary basin which is host to several world-class mines such as Nifty and Telfer. Recent exploration success at Winu by Rio Tinto and at Haverion by Greatland Gold has reinvigorated interest in the province.

Avira's strategic review identified the Paterson Province as being one of the least explored and most prospective geological terranes for discovery of significant copper and gold ore bodies.

Avira Resources sought entry into the Paterson province after the discovery of Haverion by Greatland Gold. As a consequence of this focus on the region, Avira identified open tenure and pegged Throssel Range E45/5567 as well as completing the purchase of Mount Macpherson E45/5572 in late 2019 (Refer previous ASX announcements). Avira notes that joint venture activity in the Paterson Province has seen expenditure commitments made by mining majors (through JVs on junior mining company tenements) exceed \$50M in the past 12 months.

Most recently Encounter Resources (ASX:ENR) announced it had entered into an earn-in and Joint Venture arrangement with IGO Limited covering Encounter's Yeneena copper-cobalt project in the Paterson Province. The agreement commits IGO to fund up to A\$15m in exploration expenditure to earn a 70% interest in Yeneena.

Both of Avira's projects border the ENR/IGO Yeneena project. Additionally, the south western boundary of Mount Macpherson is in close proximity to the magnetic anomaly associated with Encounter's Aria Prospect. The Vines fault appears to extend into the Throssel Range prospect's southern border with the Yeneena Project.

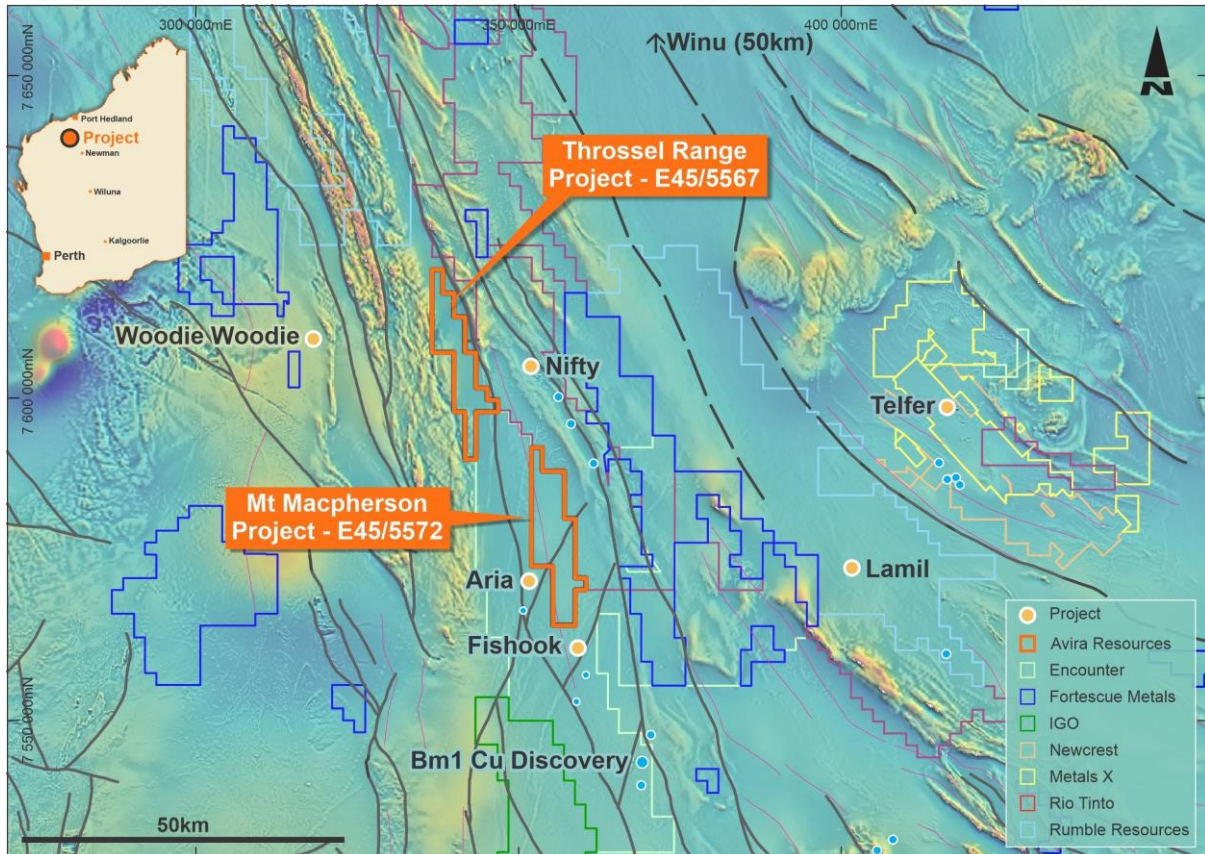


Figure 1. Location of Avira's Paterson Projects in relation to major mines and emerging copper-gold prospects.



Avira has engaged Gneiss Results (exploration and geological consultants), to assist with its regional targeting and exploration activities. Gneiss Results has now identified key geological features within the tenement areas that indicate prospectivity for base metals and gold mineralisation.

Prospective mineralization within the Paterson Province is generally related to proximity to fundamental basement blocks and basin margin faults, vertical pipe like bodies (100-1000m+) localized by second-order faults and cross-fault intersections, fluid migration into antiformal folds and faulted limbs of anti-forms hosted by carbonaceous rocks and carbonates adjacent to granitoid heat sources (Telfer) or reactive basement rocks (Nifty).

Key findings of the recently completed comprehensive geological review include;

- **Outcropping geology and shallow cover** exist across both tenements. Significant areas of the Throssel Range and Mount Macpherson tenements are outcropping, with the remainder shallowly covered by aeolian dune fields, with potentially minor areas of shallow glaciogene sediments (Figure 2).
- **Cover is likely to be less than 50m thick**, contrasting with ~100m in Lamil, and +400m in the Haverion area. Shallow cover provides advantages in exploration as conventional soil geochemistry can be used effectively, structures mapped and understood. In addition, better resolution with deeper penetration of VTEM is expected.

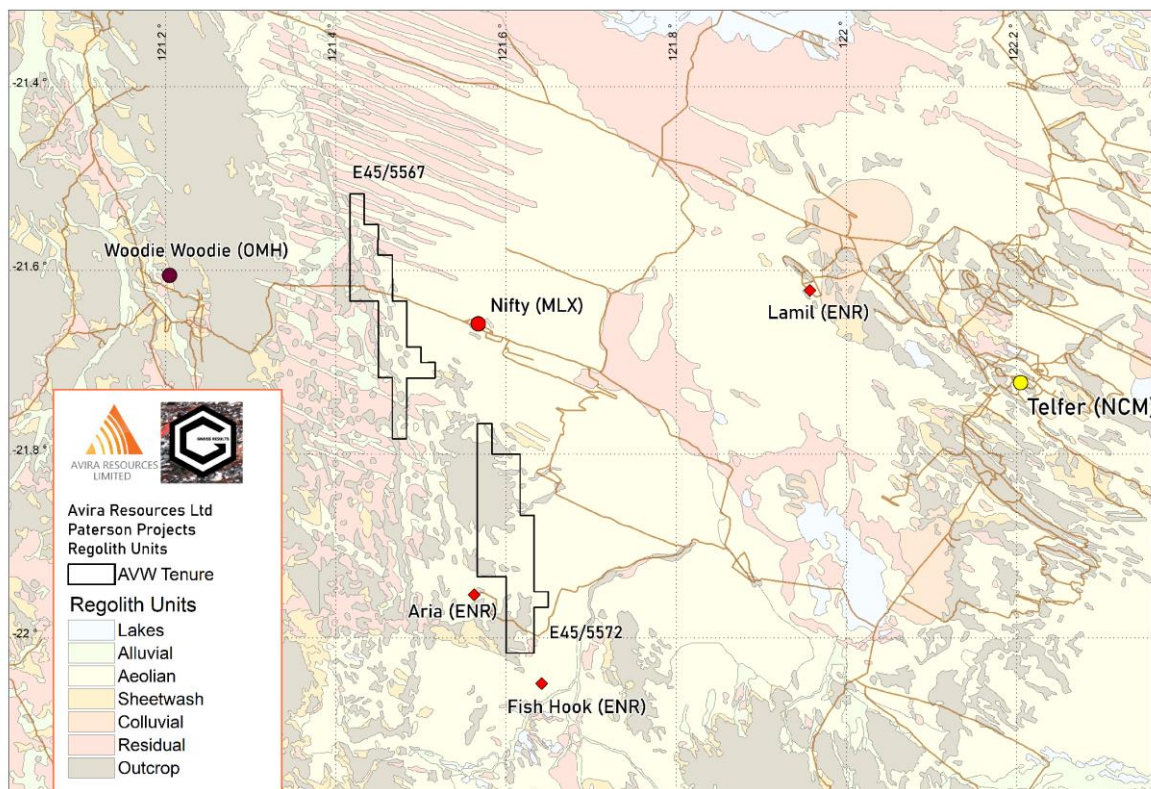


Figure 2. GSWA Regolith landform map of the Paterson highlighting outcrop on AVW's Paterson Projects

- **Cratonic boundaries** are recognised as prime sites for stratiform base metal mineralisation. On Throssel Range the cratonic boundary is represented by the Tarcunyah Unconformity that separates the Pilbara Craton from the Tarcunyah Group.





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- **Basin Margin faults** are prime sites for deposition of stratiform mineralisation (eg; sedimentary exhalative SEDEX Zn-Pb) and for structural reworking to provide focal points for hydrothermal fluids. Interaction with later **transcurrent structures** provides key porosity and localities for breccia style pipes (Encounter Resources's Aria prospect, Winu and Haverion), stratiform replacement (Nifty) and vein hosted deposits.
- **Unconformities** are prone to mineralisation styles such as placer gold mineralisation, redox boundary deposits, and early synsedimentary deposit styles such as red beds copper, evaporites, etc. Public domain ASTER spectral imagery showed FeOH, MgOH, AlOH and opaques spectral anomalies associated with the Tarcunyah Unconformity which is interpreted as potentially representing hydrothermal mineralisation along the unconformity. This is a target for exploration of manganese and base metal mineralisation.
- **Carbonaceous lithologies** are visible in outcrop within the Throssel Range tenement area. Black shales and carbonaceous dolomites are reactive, sulphur rich, reduced host rocks capable of fixing base metal sulphides from hydrothermal fluids.
- **Hydrothermal activity.** Gneiss Results provided a photogeological interpretation of the Throssel Range and Mount Macpherson projects and identified that significant faulting and veining in open file aerial photography, which indicates hydrothermal activity and potential sites of structural focusing of any mineralising fluids.

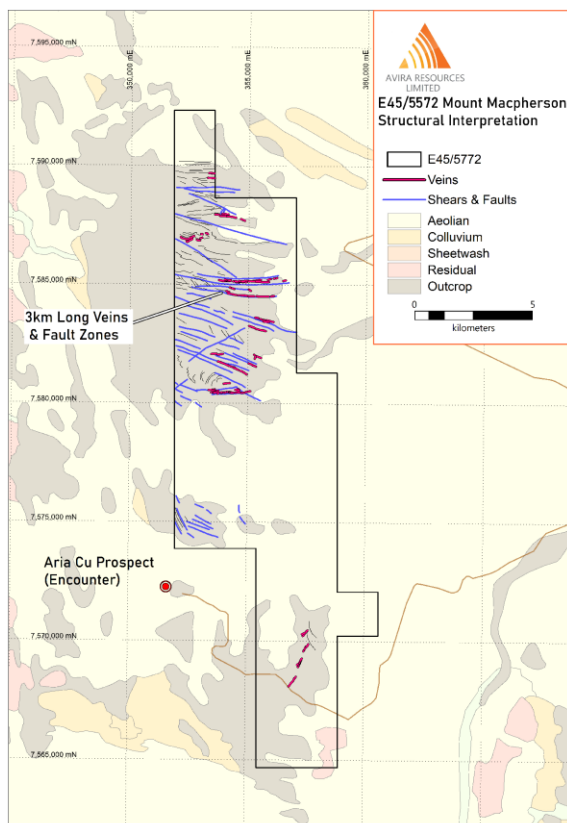


Figure 3. E45/5572 interpretation of faults and veins

### MOUNT MACPHERSON (E45/5572)

The tenement area is located in close proximity to Encounter's Aria copper discovery which is interpreted to be an IOCG deposit. Mount Macpherson is also 20km south of Metal X's Nifty Copper mine.

Avira considers that Mount Macpherson is prospective for intrusion-related mineralization similar to Telfer, Aria, and other mineralization styles identified within the region. From the available geology covering E45/5572 Avira has identified several of these elements within Mount Macpherson.

Photogeological interpretation has highlighted zones of foliation and deformation with SSE and NE trending shears and faults up to 500m wide, containing veins and evidence of alteration in corridors up to 3km long (figure 3). These veins and faults are priority areas for reconnaissance rock chip sampling.

Avira Resources Limited

Suite 9, Level 2, 330 Churchill Avenue Subiaco WA 6008 Australia  
T: 61 8 6489 1600 F: 61 8 6489 1601 www.aviraresourcesltd.com.au  
ABN: 38 131 715 645



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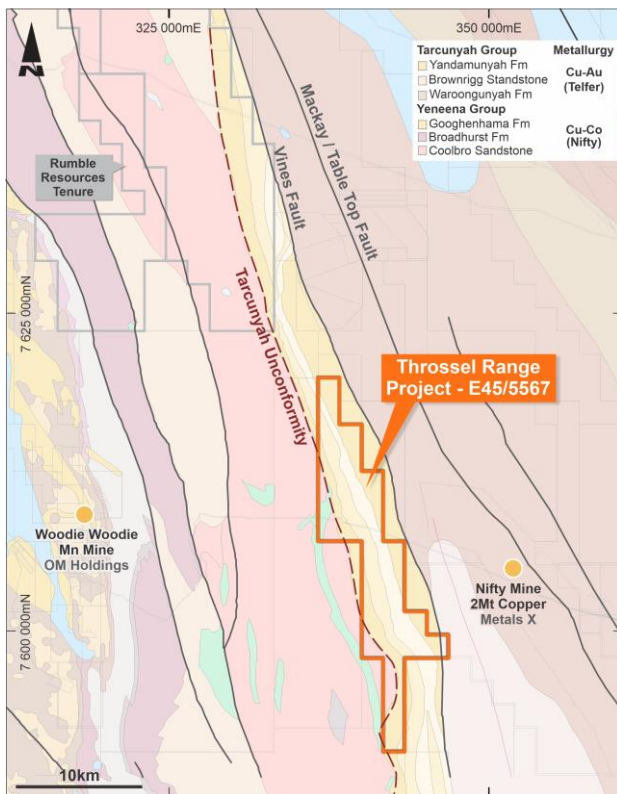


Figure 4. Position of Tarcunyah Unconformity on E45/5567

## THROSSEL RANGE (E45/5567)

The Throssel Range Project is located on the western margin of the Paterson Orogen and interpreted to contain rocks with similar geological history and prospectively as those that host the Nifty Copper Mine (12km to the east).

The tenement contains considerable potential for unconformity related mineralisation on the Tarcunyah Unconformity (figure 4) as well as exposed regolith indicating amenability to conventional geochemistry and geophysical exploration via airborne EM methods. The tenement is also attractive for SEDEX, replacement and vein associated mineralisation models.

## THE EXPLORATION PROGRAM

Avira advises that Mount Macpherson E45/5572 is likely to proceed to grant within the next few weeks (subsequent to the conclusion of negotiation of native title access agreements). Throssel Range E45/5567 is expected to be granted in the third quarter of 2020 after delays experienced due to the COVID-19 pandemic, including suspension of court hearings for discharging of objections lodged in relation to access and tenure, These have now been resolved.

Notwithstanding, initial early stage reconnaissance is planned, with a logistical planning and access confirmation field trip to the tenements due to occur in mid-June. Initial geochemistry, basic geological mapping and field verification of observed structural features is planned to proceed in the third quarter of 2020.

### Regional Geochemistry

The outcropping and sub-outcropping nature of the regolith within the tenements provides the opportunity for regional scale soil geochemistry to detect mineralization and multi-element pathfinder anomalies. The generation of a coherent geochemical dataset is required to allow selection and prioritization of geophysical anomalies prior to drilling. Results are expected to be available within approximately 8 weeks.

### Airborne EM Survey

The primary method of exploration for the area is planned to be a 200m line spacing AEM survey. A modern AEM survey will map conductive stratigraphy, provide some structural information, identify prospective conductors and map conductive regolith (eg; Permian channels), and provide areas of interest for ground truthing and drilling. The Company has recently engaged geophysical contractors,

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with mobilization of aircraft and crews intended to occur subsequent to grant of tenure, and results and interpretations delivered 4 to 8 weeks thereafter.

### **Drilling**

The Company intends to drill the Paterson Projects pending receipt and interpretation of the geochemistry and geophysical data and the generation of any anomalies which warrant follow-up work. The timing of drilling will be contingent upon receipt of all statutory approvals, land access and heritage clearances, satisfactory weather and availability of drilling contractors.

### **EVALUATING ADDITIONAL HIGH IMPACT ACQUISITION OPPORTUNITIES**

The Company also advises that it is currently evaluating additional high impact acquisition opportunities within the precious and base metals sectors consistent with the Company objective of adding shareholder value. Discussions related to additional opportunities remain incomplete, non-binding and ongoing. The Company will continue to keep the market informed if and when negotiations progress.

### **THE CAPITAL RAISING**

#### **Proposed Placement**

In support of the planned exploration program the Company has signed a mandate with CPS Capital Group Pty Ltd ("**CPS**"), a Perth based corporate advisory firm, to facilitate the completion of a share placement ("**Placement**") to raise A\$500,000 through the issue of 250,000,000 ordinary shares at \$0.002 per ordinary share.

The Placement is subject to shareholder approval at the Company's forthcoming General Meeting of Shareholders.

#### **Use of Funds**

Funds raised under the Capital Raising will be applied toward funding the proposed exploration program planned for the Paterson Range projects, maintaining the Company's Pyramid exploration tenements located in South East QLD and for working capital purposes.

### **CAPITAL STRUCTURE**

The effect of the Capital Raising on the capital structure of the Company assuming full subscription under the Placement is as follows:

<b>Shares</b>	<b>Number</b>
On issue at the date of this announcement	1,125,000,000
To be issued pursuant to the Placement	250,000,000
<b>Total shares on issue on completion of the Capital Raising</b>	<b>1,375,000,000</b>



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<b>Options</b>	<b>Number</b>
Exercisable at \$0.01 on or before 16 September 2021	2,909,090
Unquoted options exercisable at \$0.01 on or before 16 September 2021.	7,272,728
Unquoted options exercisable at \$0.01 on or before 15 November 2021.	25,000,000
<b>Total options on issue at the date of this announcement</b>	<b>35,181,818</b>
To be issued pursuant to the Placement	Nil
To be issued pursuant to the Mount Macpherson Acquisition (Secondary Consideration Options)	25,000,000
To be issued pursuant to consideration for introductory services for the Acquisition	50,000,000
<b>Total options on issue on completion of the Capital Raising and subject to shareholder approval at the forthcoming General Meeting</b>	<b>110,181,818</b>

### COMMERCIAL ARRANGEMENTS

For successfully raising the capital under the Placement the Company has agreed to pay the manager to the Placement, CPS, as follows:

- A management fee of 1% of funds raised via the Placement.
- A placement fee of 5% of funds raised via the Placement.
- A monthly corporate advisory fee of \$10,000 per month (for a minimum term of 12 months).

### TIMETABLE

An indicative timetable for the Capital Raising is set out in the table below.

<b>Event</b>	<b>Date</b>
General Meeting of Shareholders	29 June 2020
Placement Completion	29 June 2020
Issue date of Shares under the Placement	30 June 2020

The above timetable is indicative only and subject to change without notice.

Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable regulatory requirements, Avira reserves the right to amend this timetable at any time, including extension of the offer period or accepting late applications without notice.

For, and on behalf of, the Board of the Company, and authorised for release

David Deloub

Executive Director

Avira Resources Limited

Shareholders and other interested parties can speak to Mr Sonu Cheema if they have any queries in relation to this announcement: +618 6489 1600.

**-ENDS-**



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### **Forward looking statements**

This announcement contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and our management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by law. These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements.

### **Competent Persons Statement**

The information in this announcement that relates to Exploration Results is based on and fairly represents information and supporting documentation prepared by Mr Roland Gotthard. Mr Gotthard is a consultant geologist for AVW and a member of the Australian Institute of Mining and Metallurgy. Mr Gotthard has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this announcement and to the activity which they are 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' ("JORC Code"). Mr Gotthard consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

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