



26 July 2024

## PVW Resources to acquire high potential Ionic Clay Rare Earth Element (REE) portfolio in Brazil

Landmark acquisition sees PVW secure a major position in ionic clay rare earths in one of the world's fastest growing REE jurisdictions

### Highlights

- **PVW Resources (PVW)** has entered into a binding agreement to acquire a major portfolio of highly prospective ionic clay Rare Earth Element (REE) projects in Brazil.
- **The acquisition of Scanty Mineracao Ltda, the holder of 11 Projects** totaling **952km<sup>2</sup>**, provides an exciting pipeline of opportunities to explore for REE in strategically prospective regions of **Brazil**.
- **As a world-renowned mining jurisdiction**, Brazil has geological conditions highly prospective for ionic rare earths with many advanced REE projects. Emerging Brazilian producers are setting the pace globally in the race for REE self-sufficiency and the development of major new independent supply sources.
- **Commencement of due diligence** provides proof of concept with REE anomalism confirmed using a portable X-Ray fluorescence analyser (pXRF) at the Sguario and Capão Bonito Projects. Early exploration by Scanty will continue to be verified and validated with the view to release historical results once confirmed.
- **Exploration** will include surface sampling, and auger drilling to validate existing targets and test for further REE mineralisation in saprolite clay, while confirming the extent of the ionic clay hosted mineralisation.
- **Luis Azevedo**, vendor and experienced Brazilian mining expert to join the board of PVW Resources as a non-executive Director on completion of the transaction.
- **Celeste Queiroz**, 28-year experienced Brazilian geologist with 23 years with Vale to join the team as Country Manager - Brazil
- **PVW Resources** to leverage the expertise experience of its team in rare earths exploration, development and operations with the aim of building a substantial new rare earths business.

PVW Resources (ASX:PVW) ("PVW", "the Company"), is pleased to advise that it has secured a significant position in the rapidly emerging Brazilian rare earths industry after signing a binding agreement to acquire Brazil-registered Scanty Mineracao Ltda ("Scanty"), the holder of strategically important and highly prospective portfolio of Rare Earth Element ("REE") projects across four different areas in Brazil.

The portfolio of 11 projects have been identified and selected with the assistance of independent Brazilian geological consultants. As a package they offer the opportunity for significant new ionic clay REE discoveries in underexplored areas.

PVW's move into Brazil gives the Company exposure to the rapidly growing Brazilian resources industry, in particular the strategically vital rare earths industry.

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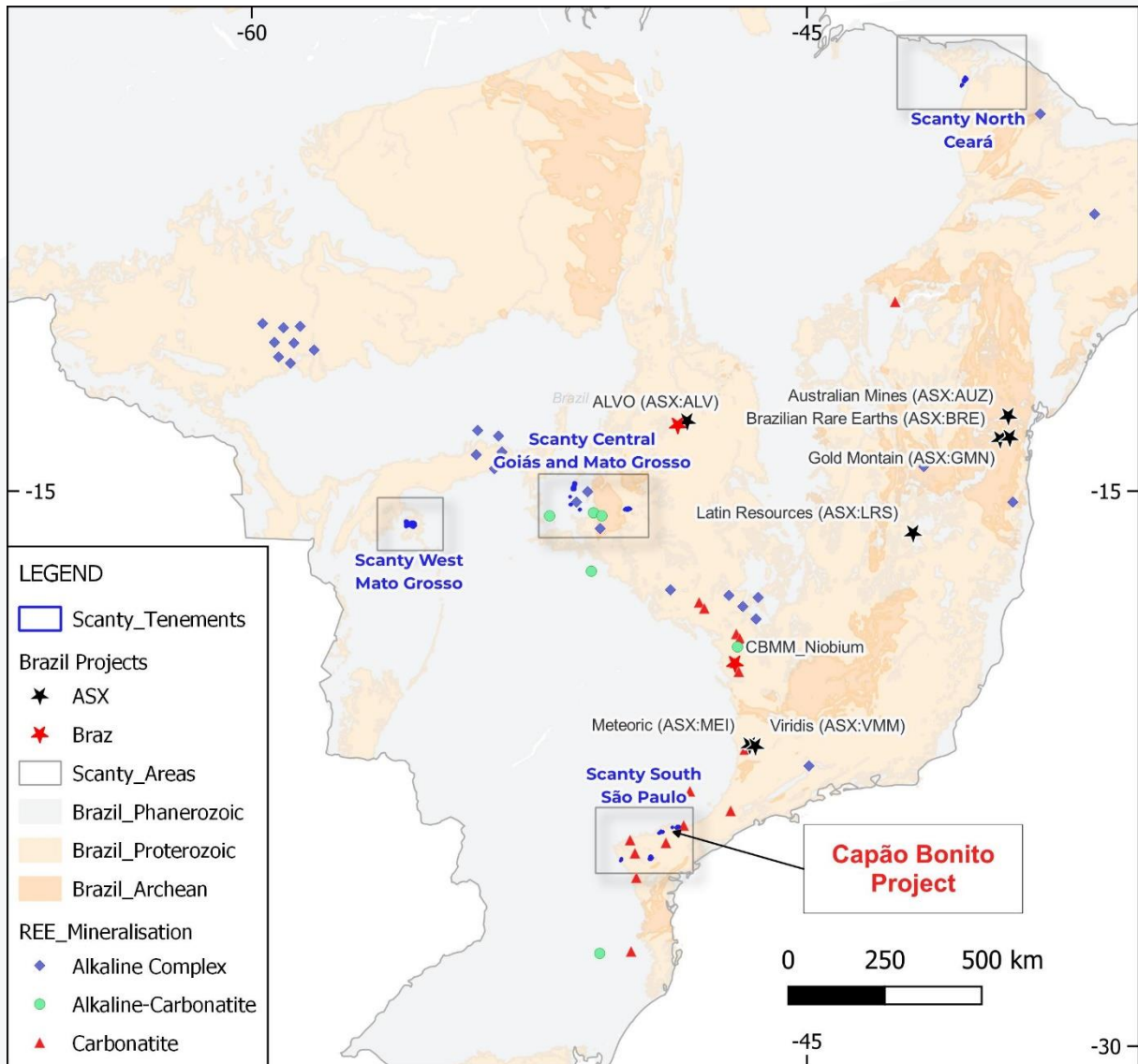


Figure 1: Location of Brazilian Scanty Projects, subdivided into four geographically separate areas and encompassing a total of 952km<sup>2</sup> of tenure.

**Non-Executive Chairman, Mr George Bauk said:**

“The PVW Board see these projects as an exceptional opportunity to grow our presence in the rapidly evolving critical minerals landscape globally. The acquisition of strategically located rare earth element projects in Brazil allows us to gain a foothold in a highly prospective and stable region which has recently established itself at the forefront of the rare earth industry globally.”

“We are delighted in the appointment of Mr Luis Azevedo as a Non-Executive Director, a major shareholder of Scanty following the completion of the transaction. Mr Azevedo is an experienced Brazilian mining and legal professional who began his career with WMC Resources, a company I also worked for over a decade.”

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**Chief Executive Officer, Mr Alistair Stephens said:**

“Brazil is a great jurisdiction for mining and development, with a government that is highly supportive of the extractive industry positioning PVW in an ideal position to commercialise the projects. We are looking forward to unlocking the significant growth potential that these Projects provide.

Ms Celeste Queiroz, a highly talented and experienced geologist based in Belo Horizonte will join PVW as Country Manager – Brazil to manage project exploration. Ms Queiroz has worked for Vale for the past 23 years in a variety of roles that will be of significant value to PVW Resources.

Karl Weber, PVW Exploration Manager, will work with Ms Queiroz to undertake and finalise due diligence and preparations for the exploration program to commence immediately after the completion of the transaction.

The initial indications from the Capao Bonito and Sguario Projects provide confidence in the potential of the projects and confirms Scanty’s exploration strategy.”

## **Purchase Agreement Terms**

1. The key terms of the acquisition of Scanty (“Acquisition”) include:
  - (a) on execution of the binding agreement, PVW has paid the Scanty Vendors \$50,000 as an exclusivity fee;
  - (b) subject to satisfaction of the conditions precedent (see below):
    - (i) PVW will acquire 100% of issued capital of Scanty (“Sale Shares”), the holder of 39 exploration licences covering 11 different project areas (together, the Brazil Projects); and
    - (ii) as consideration for the Sale Shares, PVW will:
      - A. issue 40,000,000 Consideration Shares (50% of which will be subject to a voluntary escrow period of 6 months) and 120,000,000 Performance Rights; and
      - B. pay \$600,000, principally in reimbursement of expenses incurred to date in respect of the Brazil Projects,  
to the Scanty Vendors;
  - (c) subject to satisfaction of the Vesting Conditions (see below), PVW will pay \$1,500,000 to the Scanty Vendors; and
  - (d) Scanty will enter into a royalty deed with the Brazil-domiciled Scanty Vendors for a 1.5% net smelter return royalty.
2. Completion of the Acquisition (“Completion”) is conditional on:
  - (a) (due diligence) PVW being satisfied with its due diligence investigations in respect of the Brazil Projects, in its absolute discretion;
  - (b) (PVW shareholder approvals): PVW obtaining all necessary shareholder approvals required by the Corporations Act and the Listing Rules in relation to



the Acquisition, including in respect of the issue of the Consideration Shares and the Performance Rights;

- (c) (no 3<sup>rd</sup> party arrangements) the Scanty Vendors' representative providing PVW with satisfactory evidence that (i) no debt will be owed to any Scanty Vendor or any other person by Scanty at Completion and all related party arrangements of Scanty will be terminated and the obligations of Scanty under those arrangements will cease to be of any force or effect; and (ii) there are no outstanding contractual obligations (actual or contingent) of Scanty.
3. The vesting conditions for the Performance Rights ("Vesting Conditions") are:
- (a) in respect of 60 million Performance Rights, Scanty defining and reporting an Inferred Mineral Resource (as defined in clause 21 of the JORC Code 2012) of not less than 20 million tonnes at 1,000 ppm rare earth oxides, within 36 months of Completion; and
  - (b) in respect of 60 million Performance Rights, Scanty completing and reporting a Scoping Study (as defined in clause 38 of the JORC Code 2012), which study recommends a Pre-Feasibility Study (as defined in clause 39 of the JORC Code 2012) be undertaken, within 48 months of Completion.

## **Appointment of Mr Luis Azevedo as Non-Executive Director**

Mr Luis Azevedo will be appointed to the board of PVW Resources following completion of the Acquisition.

Mr Azevedo has a BSc in Geology from Rio de Janeiro State University, a Law Degree from Candido Mendes University in Rio de Janeiro and a post-graduate degree from Pontificia Universidade Católica of Rio de Janeiro. He is a resource industry professional with over 30 years of international experience and is specialized in the Brazilian Mining Code.

Mr Azevedo is the founder of FFA Legal Ltda, a law firm located in Rio de Janeiro. FFA Legal Ltda was established to focus on assisting natural resource companies, including environmental licensing support, management of land and mineral rights, accounting, financial reporting, HR and other administrative activities.

Mr Azevedo began his career working for Western Mining Corp., Barrick Gold Corp. and Harsco Corp. Mr Azevedo has built a strong track record originating and vending projects that became mine operations. He has been Founder, Executive and Non-Executive Director of numerous private and public exploration, development and mining companies across the commodity complex in Brazil, including ASX-listed Avanco Resources (sold to ASX listed Oz Minerals in 2018), TSX-listed Rio Verde Minerals Development Corp. (sold to B&A Mineração S.A. in 2013) and TSX-listed Talon Metals Corp. He is currently a Director of TSX/LSE-listed Serabi Gold PLC, AIM-listed Harvest Minerals Ltd and AIM-listed Jangada Mines PLC.

Mr Azevedo co-founded Avanco Resources Ltd in 2007 and was responsible for assembling the company's property package in the Carajás Mineral Province of Brazil. Avanco explored, discovered, permitted, constructed and operated the only new copper mine in the Carajás not owned by Vale S.A. Avanco was acquired by Oz Minerals Ltd for a 120% premium (~A\$418 million) in 2018.



Mr Azevedo has also been an active spokesperson and advocate for the Brazilian mining sector and works closely with the highest levels of all branches of the Brazilian Federal Government. He founded, and is CEO, of the Brazilian Mining Prospectors Association (ABPM), a not-for-profit Brazilian mining advocacy organization. In 2019, he was appointed Vice President of the newly formed Mining Council of the Brazilian National Confederation of Industry (CNI) the main not-for-profit lobbying organization in Brazil that aims to increase competitiveness of Brazilian industry by influencing the policy environment. CNI engages in active policy dialogue with the Brazilian Congress, Federal Government and the Judiciary. It has 27 federations that incorporate over 1,250 unions and 350,000 companies.

Mr Azevedo was nominated National Explorer of the Year in 2017 and was also highlighted as one of the three most prestigious miners in Brazil in 2019 by the Global Mining Observer.

Mr Azevedo is a Brazilian National and resident and is fluent in English and Spanish.

## **Appointment of Ms Celeste Queiroz as Country Manager - Brazil**

Ms. Celeste Queiroz will be appointed as the Country Manager - Brazil for PVW Resources, bringing with her 28 years of experience in geological exploration, data management, and mineral resource assessment.

Ms. Queiroz is highly specialized in ensuring compliance with international standards and best practices in mineral resource estimation and reporting. She has a BSc in Geology from Rio de Janeiro State University, and a post-graduate degree in Geostatistics from Ecole des Mines de Paris at Fontainebleau.

During her nearly 23-year tenure at Vale S.A., Ms. Queiroz began her career as a field geologist and 3D modeler, advancing to roles that encompassed both technical expertise and leadership of highly specialized teams in geology, QAQC, geostatistics, information/data management, MRMR management, and Mineral Resource Estimation. She has leveraged her experience across various commodities, including gold, copper, nickel, coal, phosphate, potash, and iron ore, to drive business development initiatives while upholding the highest industry standards, ensuring transparency and precision.

Additionally, Ms. Queiroz serves on the Board of Directors at CBRR (Brazilian Commission for Mineral Resources and Reserves, a CRIRSCO National or Regional Organization), a non-profit organization dedicated to promoting the adoption and dissemination of the Brazilian Code for Reporting of Mineral Resources and Reserves. She also has been a member of AUSIMM since 2011 and is certified by the C31000 Risk Institute.

## **Brazilian Team and Technical overview**

Brazil exploration and mining consultants, Bernardo Horta de Cerqueira Viana and Mario Conrado Reinhardt, from Future Mining (a company incorporated in Brazil) acquired the tenements on behalf of Scanty, the holder of these tenements, now partnering with PVW for an integral part of this strategic acquisition.

Figure 2 demonstrates the distribution of REE projects (historical and current) in south and central Brazil. These areas include the Poços De Caldas Alkaline Complex where Meteoric





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Resources (ASX:MEI) and Viridis Mining & Minerals (ASX:VMM) have reported globally significant TREO mineral resources estimates, and the Bahia Rare Earth Province where Brazilian Rare Earths (ASX:BRE) have discovered ultra-high grade TREO.

These areas have become the focal points for REE exploration in Brazil. Historically the regions have produced multiple commodities from multiple hosts including niobium, phosphate, REE's, bauxite, and other important commodities. The success of former mining operations and renewed interest in critical minerals has resulted in these regions having a renewed modern-day minerals rush.

The clusters of REE occurrence in the Central and Southern regions of Brazil include multiple hard rock REE occurrences. Exploring in prospective regions with known hard rock hosts improves the likelihood of discovering associated ionic clay REE mineralisation as well as the improved potential of hard rock REE discoveries.

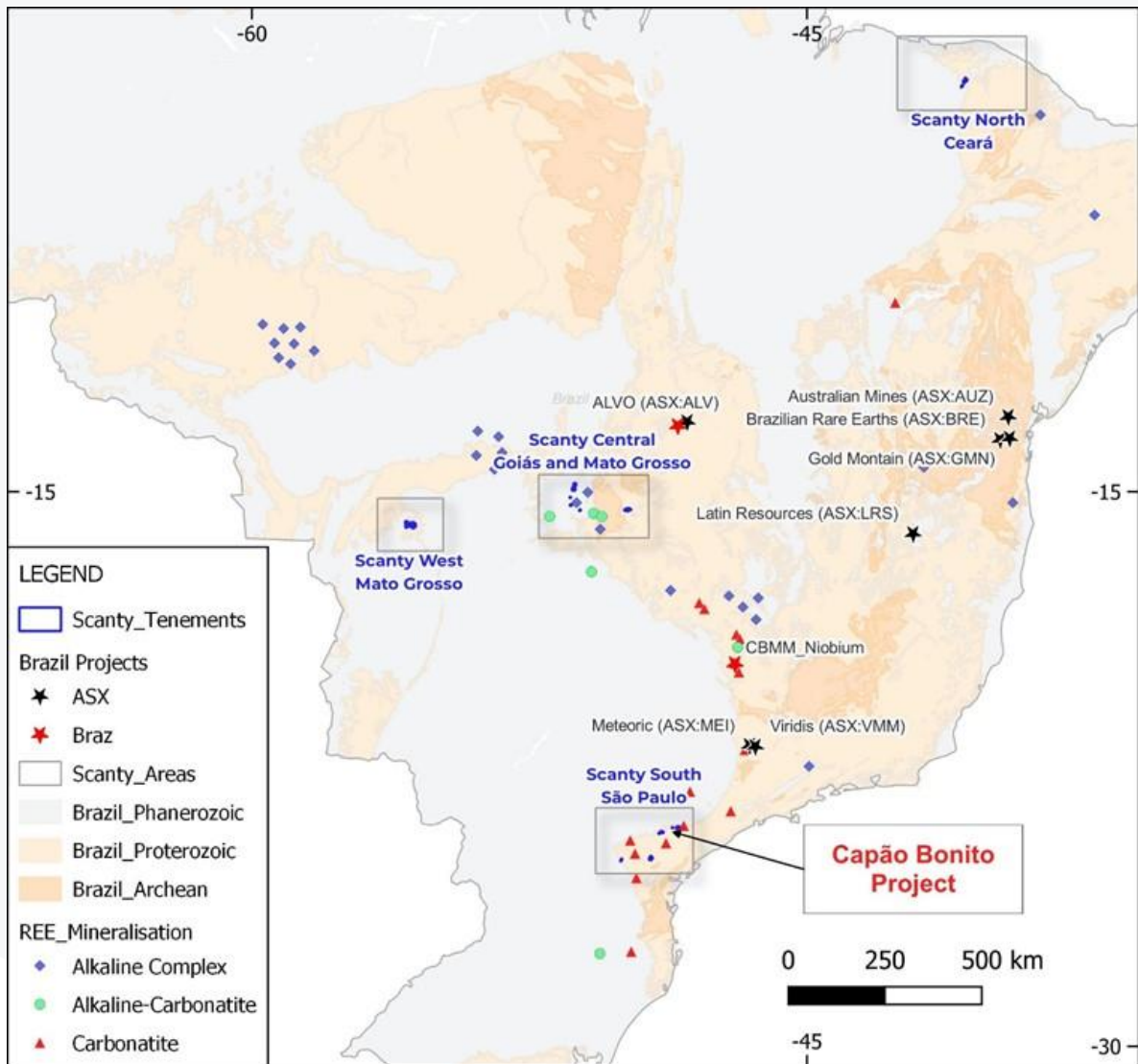


Figure 2 : Location of primary REE mineralisation in Brazil, with Scanty areas and tenements shown for comparison. Latin Resources lithium project is another significant critical mineral project.



### Capão Bonito and Sguario Projects

Scanty has highlighted the Capão Bonito and Sguario Projects as priority 1 projects within the package. Initial work completed on the projects, including pXRF field testing by Karl Weber as the commencement of due diligence, indicates anomalous REE's at surface within saprolitic granite outcrops and at site of historical exploration. Historical exploration results will be reported once due diligence is complete and validation of results is complete.

The Capão Bonito granitic rocks belong to a calc-alkaline suite that defines high-K calc-alkaline to shoshonitic potassic magmatism. The magmatism is compatible with A-type granite and a late-orogenic to anorogenic intraplate environment, associated with Ribeira Orogenesis.

The Sguario Project is also located within the Ribeira Orogeny having typical A Type granite characteristics with rapakivi and shoshonitic correlations. Both Capão Bonito and Sguario granites are typical of other granites associated with REE clay hosted mineralisation. Fractionated and cumulate portions of granites have the potential to host REE and other critical minerals.

Ensuring the underlying granite has the correct chemistry is imperative to having a source for the clay bearing REE mineralisation.

### Early Stage Exploration Projects

Figures 3 -6 show the location of the 11 projects with respect to regional occurrences of Proterozoic alkaline granites and associated volcano-sedimentary units within Proterozoic mobile belts. While the granites are not the exclusive targets, they are a likely protolith to the REE elevated saprolitic clays. As demonstrated by the regional occurrence of Carbonatites the potential exists in these geological environments for Carbonatite and other intrusion related hard rock mineralisation.

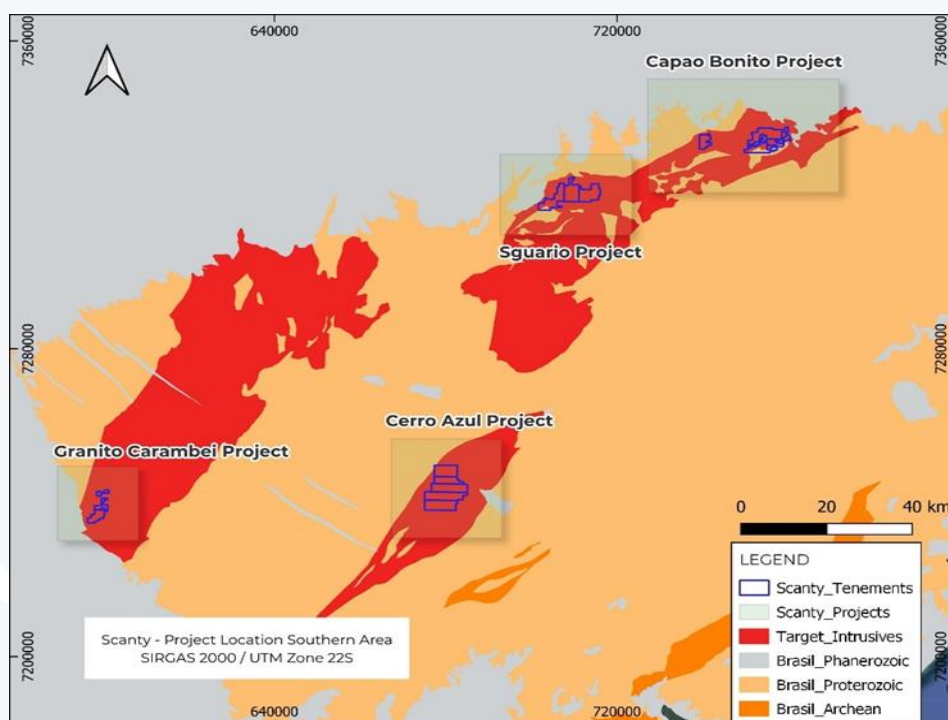


Figure 3: Location and Regional Geology of the Southern Scanty Projects.



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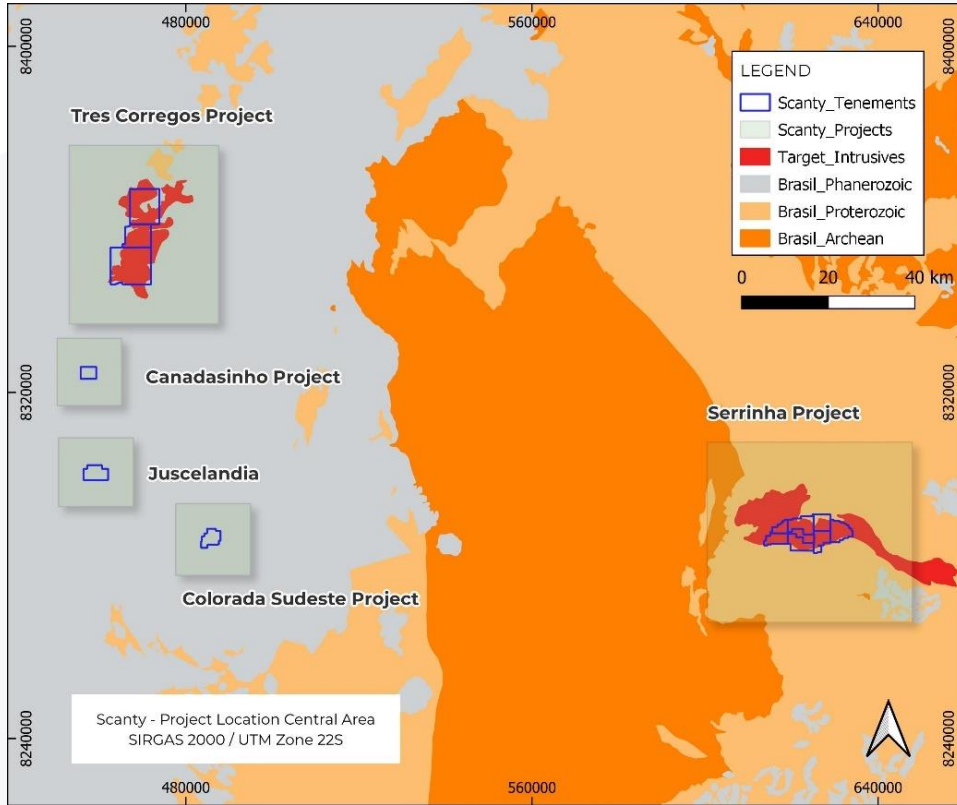


Figure 4: Location and Regional Geology of the Central Scanty Projects.

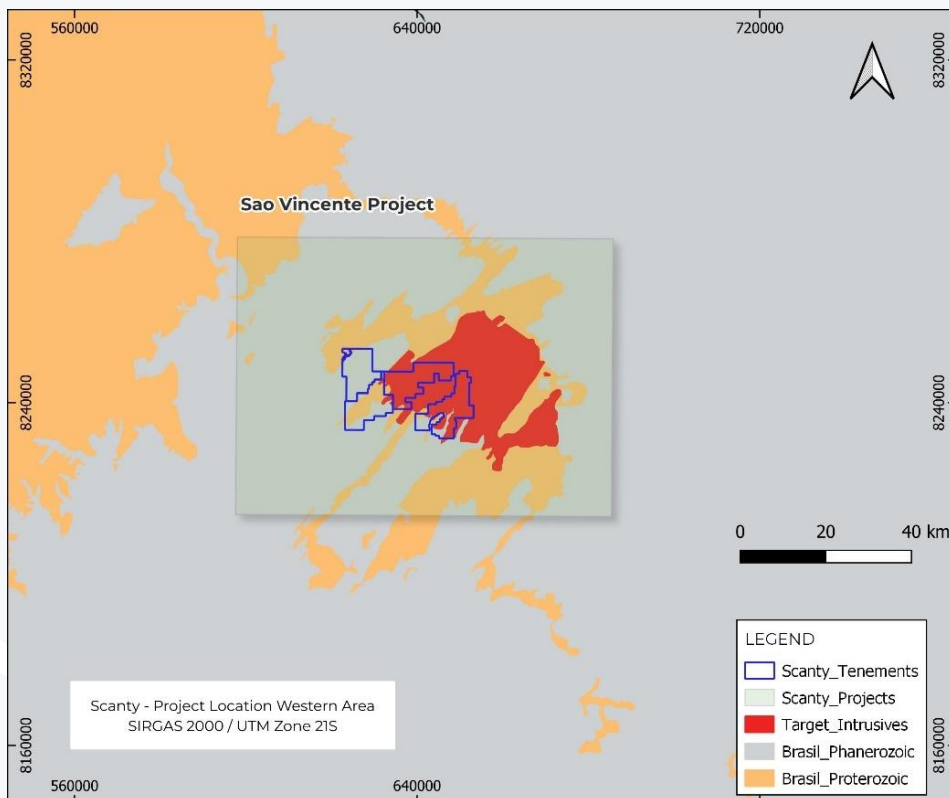






Figure 5: Location and Regional Geology of the Western Scanty Projects.

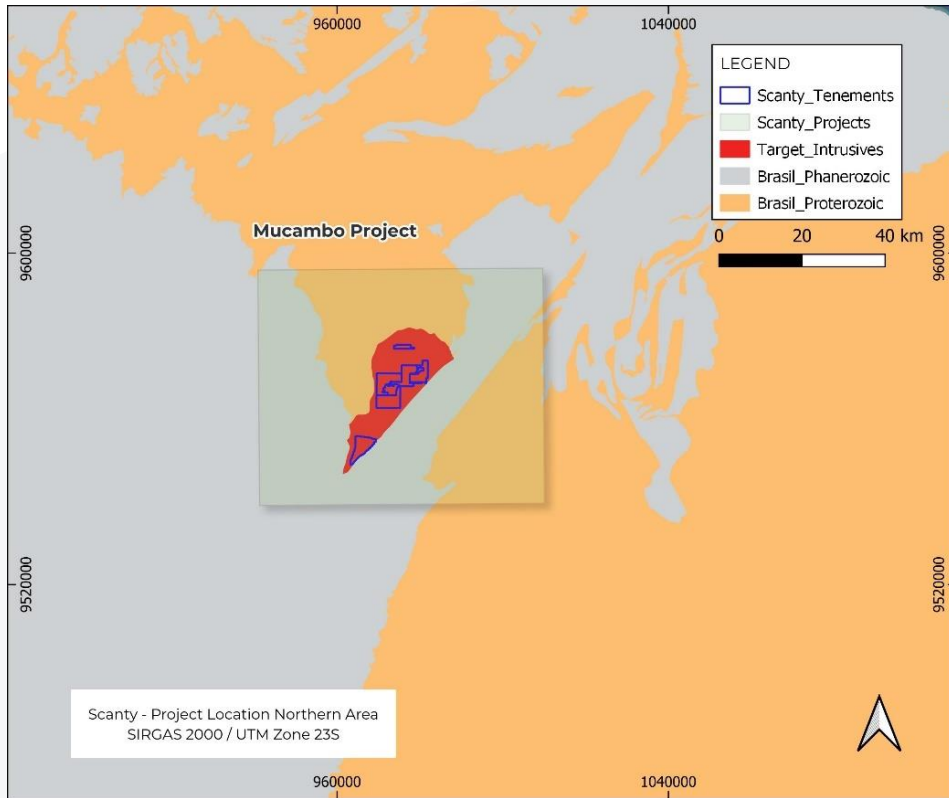


Figure 6: Location and Regional Geology of the Northern Scanty Projects.

### Exploration results

Scanty has carried out some exploration on the Projects. The Company has not done any due diligence on the exploration results and as such cannot comment on the reliability of the results but expects to be able to release the results by the end of calendar 2024.

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Table 1 : Tenement Schedule

Project Name	Tenement Number	Status	Area (Ha)
<b>Capão Bonito</b>	820.677/2023	granted	1,980
	820.678/2023	granted	1,264
	820.679/2023	granted	828
	820.680/2023	application	740
<b>Cerro Azul</b>	826.011/2024	application	1,578
	826.012/2024	granted	1,102
	826.013/2024	granted	1,796
	826.014/2024	granted	1,969
<b>Granito Carambei</b>	826.015/2024	application	1,913
	826.094/2024	application	455
	826.095/2024	application	880
	826.109/2024	application	118
<b>Mucambo</b>	826.111/2024	application	97
	801.326/2023	application	1,909
	801.327/2023	application	1,957
	801.328/2023	application	1,664
	801.329/2023	application	1,464
<b>Sao Vicente</b>	801.330/2023	application	404
	801.331/2023	application	1,946
	867.008/2023	application	7,242
	867.009/2023	granted	8,041
<b>Sguario</b>	867.010/2023	granted	9,469
	867.011/2023	granted	9,786
	820.007/2024	granted	1,843
<b>Tres Corrego</b>	820.008/2024	granted	1,662
	820.009/2024	granted	1,745
	866.005/2024	granted	3,188
<b>Canadasinho</b>	866.960/2024	granted	5,523
	866.962/2024	application	7,937
<b>Colorado Sudeste</b>	861.076/2023	granted	998
<b>Juscelandia</b>	861.077/2023	granted	1,452
<b>Serrinha</b>	861.079/2023	granted	1,770
	861.013/2023	granted	803
	861.014/2023	granted	1,940
	861.015/2023	granted	1,483
	861.016/2023	granted	1,227
	861.017/2023	granted	1,580
	861.018/2023	granted	1,433
861.019/2023	granted	1,975	
<b>11 Projects</b>	<b>39 Tenements</b>		<b>952 km<sup>2</sup></b>

A map of the Scanty tenement and project locations is provided in Appendix 1.

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## Key next steps

Task	Description
Data review	Previous exploration work is available for the projects and will be assessed in further detail while we continue to evaluate the projects. Site visits and on ground geological assessment.
Outcrop mapping	Early exploration including outcrop mapping, surface sampling, ground geophysics and auger sampling will occur as soon as possible – during the remainder of 2024.
Soil and Auger sampling	
Regional geophysics and detailed digital terrain modelling	Regional ground and airborne geophysics (including radiometrics) may be applied if the available datasets are not considered detailed enough to generate targets for auger drilling.

## About Rare Earths

Rare Earths are fundamental to the modern economy, contributing significant investment in global GDP via a wide range of clean energy solutions including electronics, the electrification of transport, information technology, defence, aerospace and industrial applications such as robotics.

Unique magnetic and electrochemical properties of the Rare Earth elements enable technologies to perform with greater efficiency, performance and durability – often by reducing weight, emissions or energy consumption.

Rare Earths drive technology to power global economic growth, enable life-saving products, and help shrink our carbon footprint. They have a growing demand in technology and innovation, are high value products and have vital strategic importance to the global economy in energy efficiency technology.

Brazilian rare earth element (REE) deposits are typically associated with carbonatite–alkaline complexes, granitic intrusions, and their weathered products. Some examples of deposits and regions where these styles of mineralisation are being explored for include;

- The Araxá region is an example of a REE deposit associated with alkaline carbonatite rocks. Companhia Brasileira de Metalurgia e Mineração (CBMM) is a major miner in the Araxá region producing Niobium with significant REE by-products.
- Other projects related to carbonatite–alkaline REE deposits, such as Catalão.
- Rare earth element projects including Pitinga and Serra Verde projects are related to the underlying alkaline igneous intrusions. The Serra Verde REE Project is an ionic adsorption clay deposit under development.

*For reference, the information reported here on Brazilian Rare Earth mineralisation and geological attributes of the target granites were sourced from various references including the following publications:*

*Lucy Takehara, Francisco V. Silveira, Roberto V. Santos, Chapter 4 - Potentiality of Rare Earth Elements in Brazil, Editor(s): Ismar Borges De Lima, Walter Leal Filho, Rare Earths Industry, Elsevier, 2016, Pages 57-72.*



*Geology and Litho-geochemistry of the Capao Bonito Massif in Geological Context with the Volcano Sedimentary Acungui sequence. São Paulo, UNESP, Geociências, v. 32, n.3, p.452-470, 2013*

## About Brazil

Brazil is an advanced mining jurisdiction with a stable regulatory regime and strong resource industry. There are multiple leading global mining companies that have operated in Brazil for decades, including BHP, Vale, Anglo American, Rio Tinto and South32. Their ongoing presence in Brazil has resulted in multiple generations of mining professional, exploration professionals and operational experts in all aspects of the mining and exploration process.

## Competent Person's Statement

The information summarised in this document relating to Exploration projects is based on information provided to Mr Karl Weber, a professional geologist with over 25 years' experience in minerals geology including senior management, consulting, exploration, resource estimation, and development. Mr Weber completed a Bachelor of Science with Honours at Curtin University in 1994; is a member of the Australasian Institute of Mining and Metallurgy (Member No. 306422) and thus holds the relevant qualifications as Competent Person as defined in the JORC Code. Mr Weber is contracting to PVW Resources. Mr Weber 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' (the JORC Code). Mr Weber consents to the inclusion of this information in the form and context in which it appears.

## Authorisation

This announcement has been authorised for release by the Board of PVW Resources Limited.

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## About PVW Resources



PVW Resources (ASX:PVW) is a diversified resource company established by a group of highly experienced mining executives including key founding members of mining company, Northern Minerals, who oversaw the development of the Browns Range Heavy Rare Earths Project.

With a project portfolio spanning Tier-1 mining jurisdictions in the WA's Tanami region, the Gascoyne region, Kalgoorlie, and Leonora PVW is also exploring for REE opportunities in other prospective geological jurisdictions..

Located in the heart of the Tanami mineral province, the Tanami Project offers exceptional potential for significant heavy rare earths and gold discoveries. At a time when demand for critical minerals such as rare earths has never been more favourable, incentive for discovery and development of new supply sources for a diversified global supply chain is strong.

### Tanami Region 100% 1,120km<sup>2</sup>

- Significant historical REE and gold results
- Limited previous exploration
- Multiple significant REE anomalies with drilling assays of up to 21,865ppm TREO
- 2022 drilling gold results up to 13m at 3.72g/t Au and 14m at 1.08g/t Au.

For recent results refer to ASX:PVW, 09 Feb 2023 and 10 Feb 2023. All historical Tanami Project exploration drilling results refer to ASX:PVW, Thred Prospectus Appendix A – Independent Geologists Report, Appendix 1.





### **Gascoyne Region 100% 316km<sup>2</sup>**

- Extensive tenement package covering highly prospective geology including anomalous REE soil samples grading >1,000ppm TREO

Refer to ASX:PVW, 14 Feb 2023 PVW Acquires Highly Prospective New Rare Earth Project in WA's Gascoyne Province.

### **Kalgoorlie Region 100% 138km<sup>2</sup>**

- Numerous near-term drill targets with historical results of 6m at 2.61g/t and 4m at 2.39g/t

All historical Kalgoorlie Project exploration drilling results refer to ASX:PVW, Thred Prospectus Appendix A – Independent Geologists Report, Appendix 1.

### **Leonora Region 100% 165km<sup>2</sup>**

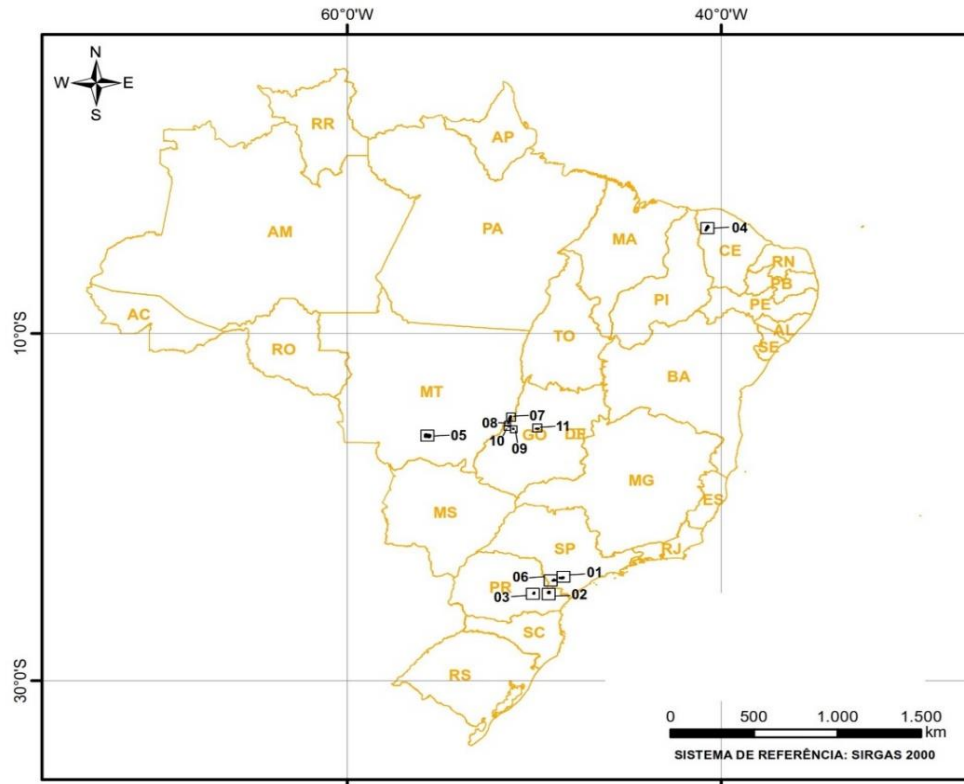
- Jungle Well and Brilliant Well Projects
- Small gold resource at Jungle Well with numerous follow-up targets

Refer to the Thred Ltd website Prospectus – Appendix A – Independent Geologists Report, 2.4 Mineral Resource Estimation – Jungle Well Deposit.

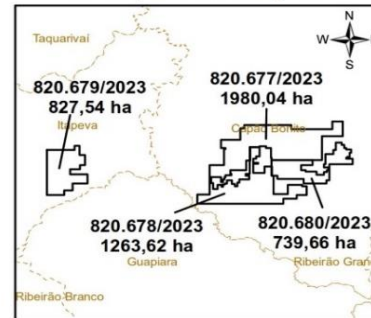
The Company confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed at the time of publication.



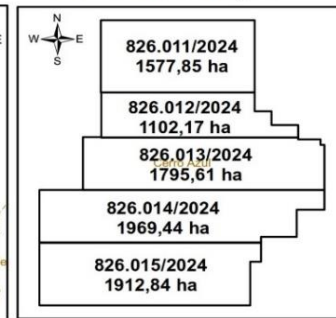
**APPENDIX 1 - SCANTY PROJECT AND TENEMENT LOCATIONS**



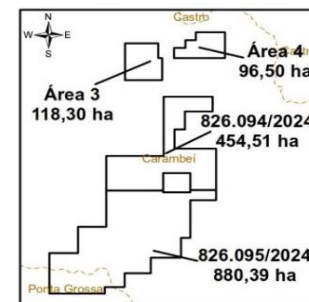
**01 – Capão Bonito Project**



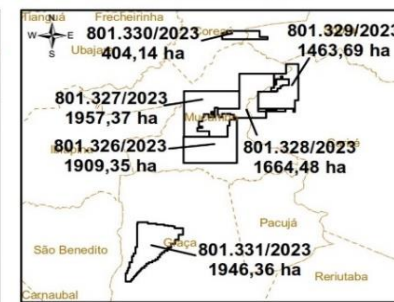
**02 – Cerro Azul Project**



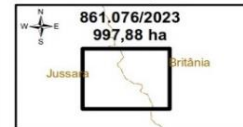
**03 – Granito Cambareí Project**



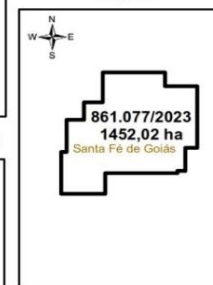
**04 – Mucambo Project**



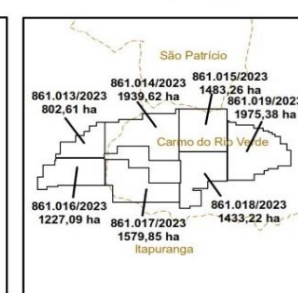
**08 – Canadasinho Project**



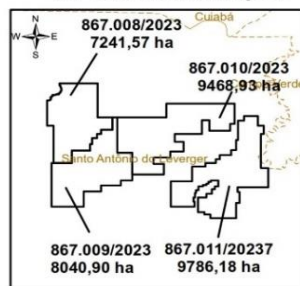
**09 – Colorado Sudeste Project**



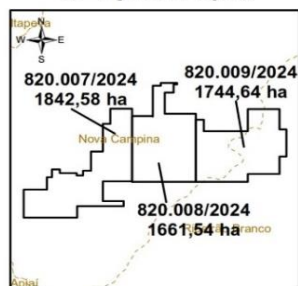
**11 – Serrinha Project**



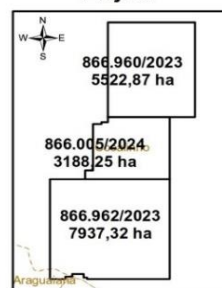
**05 – São Vicente Project**



**06 – Sguario Project**



**07 – Três Córregos Project**



**10 – Juscelândia Project**

