

Strategic Cu-Li-REEs Acquisition Arunta Province, Northern Territory

Key Highlights

- Eastern Metals acquires the Neutral Junction Project from Bowgan Minerals Limited (unlisted)
- Acquisition covers 155 blocks across six Exploration Licences covering 504 km²
- On completion, EMS' Arunta Project land holding totals 593km² inclusive of the Company's existing Barrow Creek tenement
- Tenement package is prospective for base metals, lithium, rare earth elements and gold, including a highly prospective copper trend adjacent to the Home of Bullion copper mine, which is already owned by Eastern Metals
- Part of the tenement package acquired is adjacent to the Sandover Copper Project held by Encounter Resources (**ASX: ENR**)
- Arunta Pegmatite Province is prospective for LCT pegmatites and associated lithium-bearing mineralogy
- Several companies including Core Lithium (**ASX: CXO**) and Australasian Gold (**ASX: A8G**) have recently commenced exploration for lithium in the pegmatites in the Barrow Creek pegmatite field, and in the wider Northern Arunta Pegmatite Province
- Binding Heads of Agreement executed with Asset Sale Agreement to follow
- 100% interest in five tenements acquired, with a legal ~75% joint venture interest in a sixth tenement held by Mithril Resources (**ASX: MTH**) along with management control.

Eastern Metals Limited (ASX: EMS, 'Eastern Metals' or 'the Company') is pleased to announce that it has secured a portfolio of significant exploration assets ("the **Acquisition**"), located in the Arunta pegmatite province in the Northern Territory. This Acquisition includes tenure immediately adjacent to and along trend from the Company's Home of Bullion Copper Mine which demonstrates excellent potential for copper-gold mineralisation. The broader tenement package is prospective for base metals, lithium, rare earth elements (**REEs**) and gold.

Managing Director and CEO, Wayne Rossiter said,

“Our Arunta Project has been significantly enhanced with this acquisition which dramatically increases the scope to discover additional copper and gold resources along trend from the Home of Bullion Mine, in addition to targets already identified on existing tenure. This new area is known to have anomalous copper from earlier exploration. The significant increase this Acquisition brings in the Barrow Creek pegmatite field and broader Arunta Pegmatite Province provides Eastern Metals with significantly increased potential for discovery, not just of lithium, but also REEs, base metals and gold.”

Neutral Junction Project

The Neutral Junction Project acquired from Bowgan comprises two distinct tenement areas, all located within the Northern Arunta Pegmatite Province. These are the northern **Home of Bullion – Donkey creek** areas and the southern **Adnera** area. These fall within Eastern Metals’ Arunta Project area, which is situated to the east of the Stuart Highway between Alice Springs and Tennant Creek near Barrow Creek.

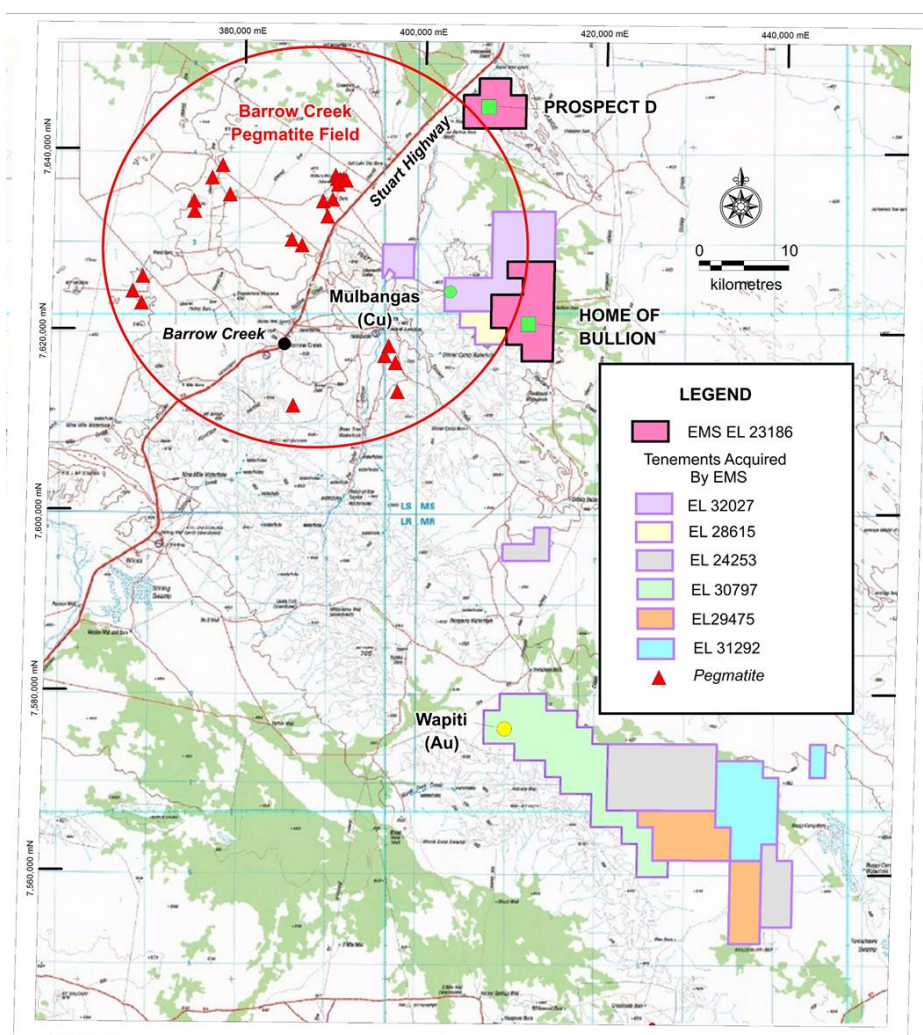


Figure 1. Eastern Metals’ expanded Arunta Project tenure

showing interpreted Barrow Creek pegmatite field

Tenement	Name	Area	Blocks	Interest	Holder	Status
Home of Bullion – Donkey Creek Area						
EL28615	Donkey Creek	13.00km ²	4	100%	Bowgan	Current
EL32037	Home of Bullion	81.25km ²	25	100%	Bowgan	Current
Adnera Area						
EL24253	Neutral Junction	133.25km ²	41	75.14%	Mithril ¹	Current
EL29475	Adnera	81.25km ²	25	100%	Bowgan	Current
EL30797	Ooralingie	123.50km ²	38	100%	Bowgan	Pending Renewal
EL31292	Buggy Camp	71.50km ²	22	100%	Bowgan	Current
		503.75km ²				

¹ Tenement held by Mithril Resources Limited (ASX: MTH). The 75.14% interest held by Bowgan in the Joint Venture is pursuant to a Joint Venture Agreement dated 26 April 2011 between Mithril Resources Ltd, Mega Hindmarsh Pty Ltd and Bowgan.

Home of Bullion - Donkey Creek Area

Eastern Metals' flagship asset in the Northern Territory is the Home of Bullion deposit at Barrow Creek on EL23186, which was acquired from Kidman Resources (now owned by Wesfarmers) which hosts a total **Identified Mineral Resource of 2.5 million tonnes averaging 1.8% copper, 2.0% zinc, 36g/t silver, 1.2% lead and 0.14g/t gold**. The Home of Bullion deposit is classified as an Advanced Exploration Project under the Valmin Code.

The Home of Bullion-Donkey Creek tenements acquired from Bowgan were subject to previous exploration by Aberfoyle during 1995-1996 which confirmed anomalous levels of copper-lead-zinc, along with gold and silver however no targets were followed up with deep drilling. Eastern Metals is actively reviewing historical exploration information over this area. This area, which lies within the Barrow Creek pegmatite field, is also prospective for gold, silver, REEs, and lithium.

Eastern Metals' strategy is to conduct resource expansion drilling on the Home of Bullion deposit where the existing resource remains open along strike and dip. In addition numerous potential VMS targets exist along trend, principally to the west and northwest of the deposit. This copper trend continues from our existing tenure into the Home-of Bullion-Donkey Creek tenement package acquired from Bowgan which includes the Mulbangas copper prospect.

Adnera Area

Adnera tenements are located within the Arunta Block, with prospectivity for economic copper and gold being recognised within an orogenic (Tanami-style) and IOCG (Tennant Creek-style) deposit setting.

These tenements are adjacent to the Sandover Project held by Encounter Resources (**ASX:ENR**), where high grade copper has been identified at surface in an interpreted Zambian copper belt analogue.

Exploration potential for REEs is also identified within an alaskite (alkali feldspar leucogranite) further east of Adnera Creek where high zirconium values were confirmed. This area is also prospective for gold, silver, REEs, and lithium bearing pegmatites.

Barrow Creek Pegmatite Field

Eastern Metals' EL 23186 and Home of Bullion and Donkey Creek tenements acquired from Bowgan lie within the Barrow Creek pegmatite field. The pegmatites in this area intrude metamorphosed mudstones, sandstones, schists and amphibolite of the Palaeoproterozoic Bullion Schist, which itself is the host rock of the Company's Home of Bullion copper deposit. The pegmatites are thought to be related to the Barrow Creek granite complex, which occurs widely throughout the Barrow Creek area, including at Prospect D in EL 23186 where it outcrops. Interpretation of geophysical data suggests the granite occurs at shallow depth in the Home of Bullion area also.

Several companies have recently commenced exploration for lithium in the pegmatites in the Barrow Creek pegmatite field and in the wider Northern Arunta pegmatite province, however, there has been no prior exploration for lithium in the Company's Barrow Creek project area.

Pegmatites in the Barrow Creek pegmatite field are grouped into three main zones known as the western group of pegmatites, the eastern group and the Neutral Junction group. Some of these pegmatites were worked on a generally small scale, largely for tin, tungsten, tantalum and mica, mainly from the 1940s to the 1980s. The pegmatites are up to a kilometre or so in strike length and from less than a metre to a few metres wide. The Northern Territory Geological Survey (Frater, 2005) has reported analyses of grab samples taken from 12 pegmatite workings in the Barrow Creek field. The highest lithium values, averaging 570 ppm Li, were obtained from pegmatites in the Neutral Junction group. This result was amongst the highest values returned from sampling in the wider Northern Arunta pegmatite province. The main occurrences in the Neutral Junction group are about 3 kilometres south of the Neutral Junction homestead. EL 23186 is on the Neutral Junction pastoral lease, about 4 kilometres to the east of the homestead.

The Northern Arunta Pegmatite Province covers a large area of the Arunta Block centred around the Stuart Highway, just north of Alice Springs to south of Tennant Creek. It extends to the west to the Tanami Highway and to the east to the Plenty Highway. There is a large number of tin, tungsten, tantalum, mica and workings for other minerals developed in pegmatites in this province. Until very recently, no systematic exploration for lithium had been carried out in the Barrow Creek pegmatite field.

Lithium is known to occur elsewhere in pegmatites in the minerals spodumene, petalite and lepidolite, a mica.

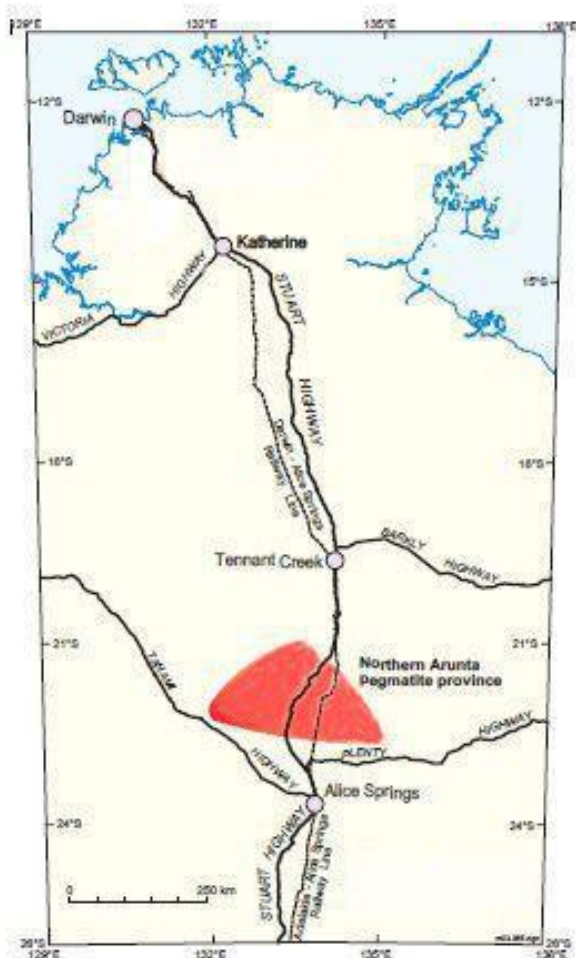


Figure 2. Location of the Northern Arunta Pegmatite Province

The mineralised pegmatites in the Northern Arunta pegmatite province occur in four main clusters, one of which is referred to as the Barrow Creek pegmatite field. The other clusters are the Napperby pegmatite district northeast of Yuendumu, the Anningie pegmatite group northeast of Ti-Tree, and the Alcoota pegmatite district well to the east. The Anningie lithium projects held by Core Lithium (**ASX: CXO**) and Australasian Gold (**ASX: A8G**) near Mt Peake lie within the Anningie pegmatite group 60 kilometres southwest of Barrow Creek. The Mt Peake Vanadium-Titanium-Iron Project, owned by TNG Limited (**ASX: TNG**) also lies in this area. In addition, Core Lithium’s Barrow Creek lithium project lies within the Barrow Creek pegmatite field.

Key Acquisition Terms

Eastern Metals and Bowgan Minerals executed a Binding Heads of Agreement on 3 March 2020 with an Asset Sale Agreement to follow. The key terms of the Acquisition includes consideration of \$150,000, made up of \$50,000 in cash and the allotment of 408,163 fully paid EMS shares, issued at a price of \$0.245 per share. The issue price of \$0.245 per share is the 30 day VWAP of the Company’s shares traded on the ASX, and is a 22.5% premium to the Company’s October 2021 IPO price. The shares issued as part of the Acquisition will be escrowed for 12 months from the date of issue.

Consideration is payable upon completion being 20 Business Days after registration of EMS as the registered owner of each Tenement owned by Bowgan

The Company's present ASX Listing Rule 7.1 capacity to issue equity securities in a 12-month period without Company members' approval is 8,181,400 equity securities. The agreement to issue of 408,163 new EMS Shares is within the Company's ASX Listing Rule 7.1 capacity and will not require Company members' approval.

Authorisation for this Announcement

This announcement has been authorised for release by the Company's Disclosure Officers in accordance with its Disclosure and Communications Policy which is available on the Company's website, www.easternmetals.com.au.

Previously Reported Information

The information in this report that references previously reported Exploration Results, Mineral Resources or Ore Reserves for the Company's existing tenements is extracted from the Company's Prospectus released on 18 August 2021 (ASX: EMS 22/10/2021). The Prospectus is available to view on the Company's website or on the ASX website (www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning the Company's planned activities, including mining and exploration programs, and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. In addition, summaries of Exploration Results and estimates of Mineral Resources and Ore Reserves could also be forward looking statements. Although Eastern Metals believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Competent Person Statement

The information in this Presentation that relates to Exploration Results, Mineral Resources or Ore Reserves (as those terms are used and defined in the JORC Code), except where otherwise noted, is

based on information compiled by Mr Gary Jones who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Jones is a full-time employee of Geonz Associates, Consultant Geologists, a former director of Eastern Metals, and Principal Consultant – Geology to the Company. Mr Jones 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 JORC Code. Mr Jones consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

Contacts

For more information or to arrange an interview, please contact:

Wayne Rossiter

Managing Director & CEO

waynerossiter@easternmetals.com.au

Victoria Humphries

Media & Investor Relations

victoria@nwrcommunications.com.au

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data: Neutral Junction Project

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>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.</i>	Eastern Metals (EMS or Company) has not yet undertaken any exploration activities at the Neutral Junction Project. Sampling to date has been early-stage exploration comprising soil and rock chip sampling and mapping. Samples were collected by prior explorers at irregular intervals. There is no available quality assurance and quality control (QA/QC) documentation. However, the competent person (CP) is satisfied that the results are fit for regional target generation purposes. The other primary information sources regarding the previous exploration activities is the Northern Territory Strike online platform https://strike.nt.gov.au/wss.html
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Not applicable. No sampling results reported.
	<i>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.</i>	Not applicable. No sampling results reported.
Drilling techniques	<i>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).</i>	Not applicable. No drilling results reported.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Not applicable. No drilling results reported.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	Not applicable. No drilling results reported.
Criteria	JORC Code explanation	Commentary
	<i>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.</i>	Not applicable. No drilling results reported.
Logging	<i>Whether core and chip samples have been geologically and</i>	Not applicable. No drilling results reported.

JORC Code, 2012 Edition – Table 1

	<i>geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography</i>	Not applicable. No drilling results reported.
	<i>The total length and percentage of the relevant intersections logged.</i>	Not applicable. No drilling results reported.
Sub-sampling techniques and sample preparatio	<i>If core, whether cut or sawn and whether quarter, half or all core taken</i>	Not applicable. No sampling results reported.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	Not applicable. No sampling results reported.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Not applicable. No sampling results reported.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Not applicable. No sampling results reported.
	<i>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.</i>	Not applicable. No sampling results reported.
Criteria	JORC Code explanation	Commentary
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Not applicable. No sampling results reported.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Not applicable. No sampling results reported.
	<i>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.</i>	Not applicable. No sampling results reported.
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	Not applicable. No sampling results reported.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Not applicable. No drilling results reported.
	<i>The use of twinned holes.</i>	Not applicable. No drilling results reported.
	<i>Documentation of primary data, data entry procedures, data verification,</i>	Not applicable. No sampling results reported.

JORC Code, 2012 Edition – Table 1

	<i>data storage (physical and electronic) protocols.</i>	
	<i>Discuss any adjustment to assay data.</i>	Not applicable. No sampling results reported.
<i>Location of data points</i>	<i>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.</i>	Not applicable. No drilling results reported.
	<i>Specification of the grid system used</i>	Not applicable. No drilling results reported.
	<i>Quality and adequacy of topographic control.</i>	Not applicable. No drilling results reported.
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i>	Not applicable. No data points reported.
	<i>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.</i>	Not applicable. No data points reported.
	<i>Whether sample compositing has been applied</i>	Not applicable. No sampling results reported.
Criteria	JORC Code explanation	Commentary
<i>Orientation of data in relation to geological structure</i>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Not applicable. No sampling results reported.
	<i>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.</i>	Not applicable. No drilling results reported.
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	Not applicable. No sampling results reported.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	Not applicable. No sampling results reported.

JORC Code, 2012 Edition – Table 1

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<i>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.</i>	<p>EL28615, EL32037, EL29475, EL30797 and EL31292 are 100% held by Bowgan Minerals Limited, EL30797 is pending renewal. EL24253 is held by Mithral Resources Ltd.</p> <p>The Company has entered into a Heads of Agreement date 3 March 2022 to acquire the 100% held tenements and the legal interest in the tenement held by Mithril Resources Limited.</p> <p>Bowgan holds a 75.14% interest a Joint Venture over EL24253 pursuant to a Joint Venture Agreement dated 26 April 2011 between Mithril Resources Ltd, Mega Hindmarsh Pty Ltd and Bowgan.</p>
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	The Neutral Junction Project to be acquired from Bowgan has been subject to previous exploration that has identified anomalous levels of copper-lead-zinc, gold and silver and rare earth elements. None of this historical work is reported in this announcement. Eastern Metals is actively reviewing available historical exploration information.
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>The Neutral Junction Project is located in the Northern Arunta Pegmatite Province which covers a large area of the Arunta Block and is prospective for lithium bearing pegmatites.</p> <p>At EL28615 and EL32037 the company is seeking to identify volcanogenic massive sulphides similar to those at the Home of Bullion deposit.</p> <p>EL29475, EL30797 and EL31292 are prospectivity for economic copper and gold being recognised within an orogenic (Tanami-style) and IOCG (Tennant Creek-style) deposit settings.</p>
Criteria	JORC Code explanation	Commentary
<i>Drill hole Information</i>	<p><i>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:</i></p> <ul style="list-style-type: none"> • <i>easting and northing of the drill hole collar</i> • <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> • <i>dip and azimuth of the hole</i> 	Not applicable. No drilling results reported.

JORC Code, 2012 Edition – Table 1

	<ul style="list-style-type: none"> • down hole length and interception depth • hole length. 	
	<i>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.</i>	Not applicable. No drilling results reported.
<i>Data aggregation methods</i>	<i>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.</i>	Not applicable. No sampling results reported.
	<i>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</i>	Not applicable. No drilling results reported.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	Not applicable. No drilling results reported.
<i>Relationship between mineralisation widths and intercept lengths</i>	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	Not applicable. No drilling results reported.
	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	Not applicable. No drilling results reported.
	<i>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’).</i>	Not applicable. No drilling results reported.
<i>Diagrams</i>	<i>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</i>	Not applicable. No drilling results reported.
Criteria	JORC Code explanation	Commentary
<i>Other substantive exploration data</i>	<i>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.</i>	No historical work is reported in this announcement. Eastern Metals is actively reviewing available historical exploration information.
<i>Further work</i>	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	See the main body of the report.
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	See the main body of the report.