

Asset Sale Agreement Executed for Neutral Junction Project Arunta Province, Northern Territory

Key Highlights

- Eastern metals entered into a Binding Heads of Agreement to acquire the Neutral Junction Project from Bowgan Minerals Limited (unlisted) on 4 March 2022
- 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
- A Binding Asset Sale Agreement has now been executed by all parties
- 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.

Eastern Metals Limited (ASX: EMS, 'Eastern Metals' or 'the Company') is pleased to announce that it has now executed an Asset Sale Agreement following entering into a Binding Heads of Agreement to acquire 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.

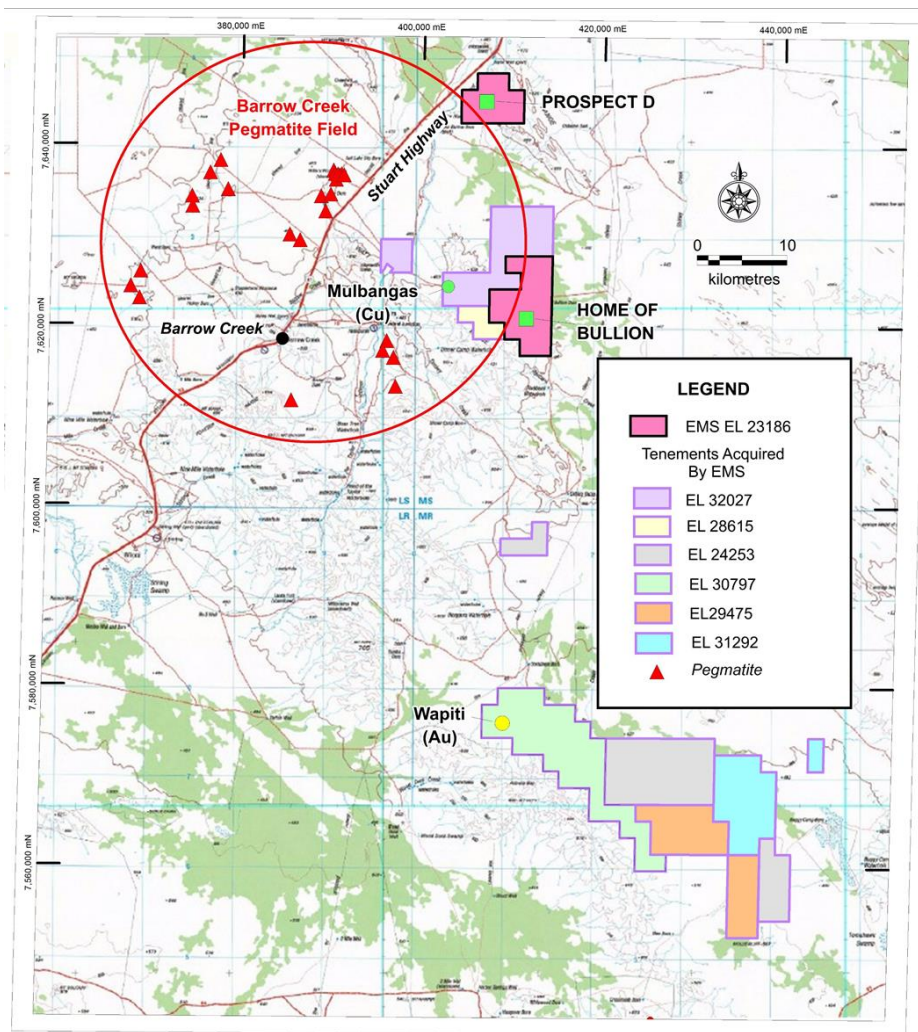


Figure 1. Eastern Metals’ expanded Arunta Project tenure showing interpreted Barrow Creek pegmatite field

Tenement	Name	Area	Blocks	Interest	Holder	Status
Home of Bullion – Donkey Creek Area						
EL28615	Donkey Creek	13.00km ²	4	100%	Bowgan	Current
EL32027	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.

Key Acquisition Terms

Eastern Metals and Bowgan Minerals executed an Asset Sale Agreement on 6 May 2022 following entering into a Binding Heads of Agreement on 3 March 2022.¹ The key terms of the Acquisition include 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.

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

¹ ASX: EMS 4 March 2022 "Strategic Cu-Li-REEs Acquisition Arunta, Northern Territory"

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