

ASX Code: ESS

Corporate Profile

Shares on issue: 151 million
Cash: \$3.4m (30 Sep 2020)
Debt: Nil

Corporate Directory

Non-Executive Chairman

Craig McGown

Non-Executive Directors

Paul Payne
Warren Hallam

Managing Director

Timothy Spencer

CFO & Company Secretary

Carl Travaglini

Exploration Manager

Andrew Dunn

Key Projects

Sole Funded

Juglah Dome (Au)
Blair-Golden Ridge (Au, Ni)
Dome North (Li)
Sinclair Caesium Mine (Cs)
Mavis Lake (Li)

Free Carried to Decision to Mine

Acra (Au) 25%
Kangan (Au) 30%
Balagundi (Au) 25%

Investor Relations

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29 October 2020

Exciting gold targets at Juglah Dome near Kalgoorlie to be drill tested in November

Comprehensive reappraisal and reinterpretation of historical data combined with rigorous field work has prioritised the Gards, Golden Shovel and Moonbaker prospects for drill testing

HIGHLIGHTS

- **Gards prospect**
 - Standout drill target confirmed with 1.2km of outcrop/sub-crop mapped.
 - The target was previously tested in 2003 with five drill holes on one section, with best results of: 9m @ 1.15g/t Au from 33m (GRR003) and 7m @ 1.47g/t Au from 74m (GFDD001).
 - No follow-up drilling has occurred to date.
 - ~1,000m x 150m anomalous gold zone defined by extensive recent rock chip and soil sampling.
- **Golden Shovel prospect**
 - The site of multiple historical workings and is geologically similar to the Gards prospect.
 - In addition to the zone of workings, rock chip samples of up to 8.07 g/t Au have been recorded in a chert horizon.
 - No drill testing since ~1982.
- **Moonbaker prospect**
 - Widespread sporadic gold anomalism identified by extensive soil sampling.
 - Previous RAB drilling (results included 12m @ 5.4 g/t Au from 9m) was followed up by two Reverse Circulation (RC) holes, which now appear to have been drilled in the wrong orientation.

Essential Metals Managing Director, Tim Spencer, said: *“Our efforts over the past few months have paid off with three excellent drill targets now delineated. The upcoming drill programme, planned for November, will test these three targets and provide initial indications as to the size and potential of the prospects. It is expected that further drilling will follow.*”

“Juglah Dome sits in a sought after location surrounded by ground recently acquired by Black Cat Syndicate Ltd to the north and west, and by mining operations owned by Silver Lake Resources Ltd to the south and west.”

JUGLAH DOME PROJECT (ESS: 100%)

The Juglah Dome Project is located ~60km east-southeast of Kalgoorlie and is highly prospective for gold mineralisation. Exploration by previous owners identified multiple gold targets using soil geochemistry and drilling. The Project lies in a similar geological setting to that which hosts the Majestic and Imperial Deposits, located 10km to the north-west, and the Daisy Complex to the west, which forms part of Silver Lake Resources Limited's Mt Monger Operations.

The Juglah Dome is an important large-scale feature comprised of an assortment of felsic volcanic rocks intruded by granite. Domes can cause focussing of the crustal fluids that create gold deposits and are typically associated with large gold deposits. The Daisy Complex (Daisy-Milano), located less than 10km from the Project, is an important example.

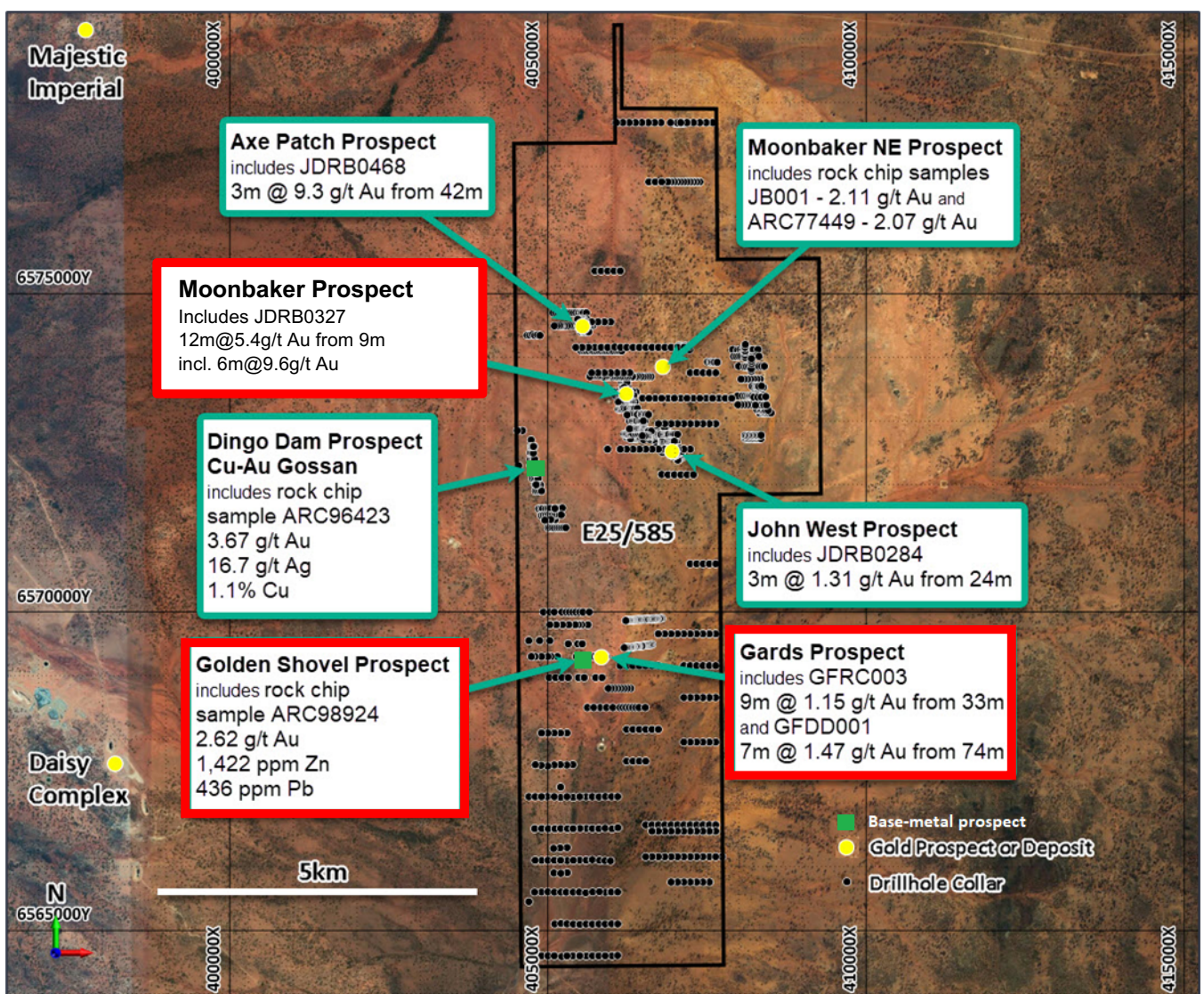


Figure 1: The main known prospects within the Juglah Dome Project, with the three prospects to be drilled highlighted with a red outline.

The Gards, Golden Shovel and Moonbaker prospects are situated on the western limb of the south easterly plunging Bulong Anticline. The stratigraphy is dominated by north-west trending volcanoclastics which have been intruded by a suite of fractionated felsic to intermediate dykes. Mineralisation throughout the area appears to be controlled by the brecciation and alteration of competent felsic intrusive and chert lithologies.

The majority of the drill holes (collar locations displayed in Figure 1) within the project are shallow vertical Rotary Air Blast (RAB) or air-core holes and very few deeper, angled drill holes have been completed.

GARDS PROSPECT

At the Gards prospect, sedimentary facies associations range from fine grain banded ferruginous chert through to fine to medium grained volcanoclastics to and conglomerates. Geophysical coverage over the Gards prospect highlights the dominant north-westerly trend of stratigraphy as well as numerous truncations and dislocations of magnetic units.

Mineralisation has been identified within a porphyry unit at the Gards prospect. The porphyry is a north-west trending and south-west dipping coherent unit which outcrops/sub-crops over a strike of approximately 1,200m before going under cover to the south-east.

The proposed drill programme at the Gards prospect will test approximately 700m of strike length on a 160m x 40m spacing over four fences north and south of the historical (2003) Placer Dome drilling, which intersected 9m @ 1.15g/t Au from 33m in GFRC003 and 7m @ 1.47g/t Au from 74m in GFDD001.

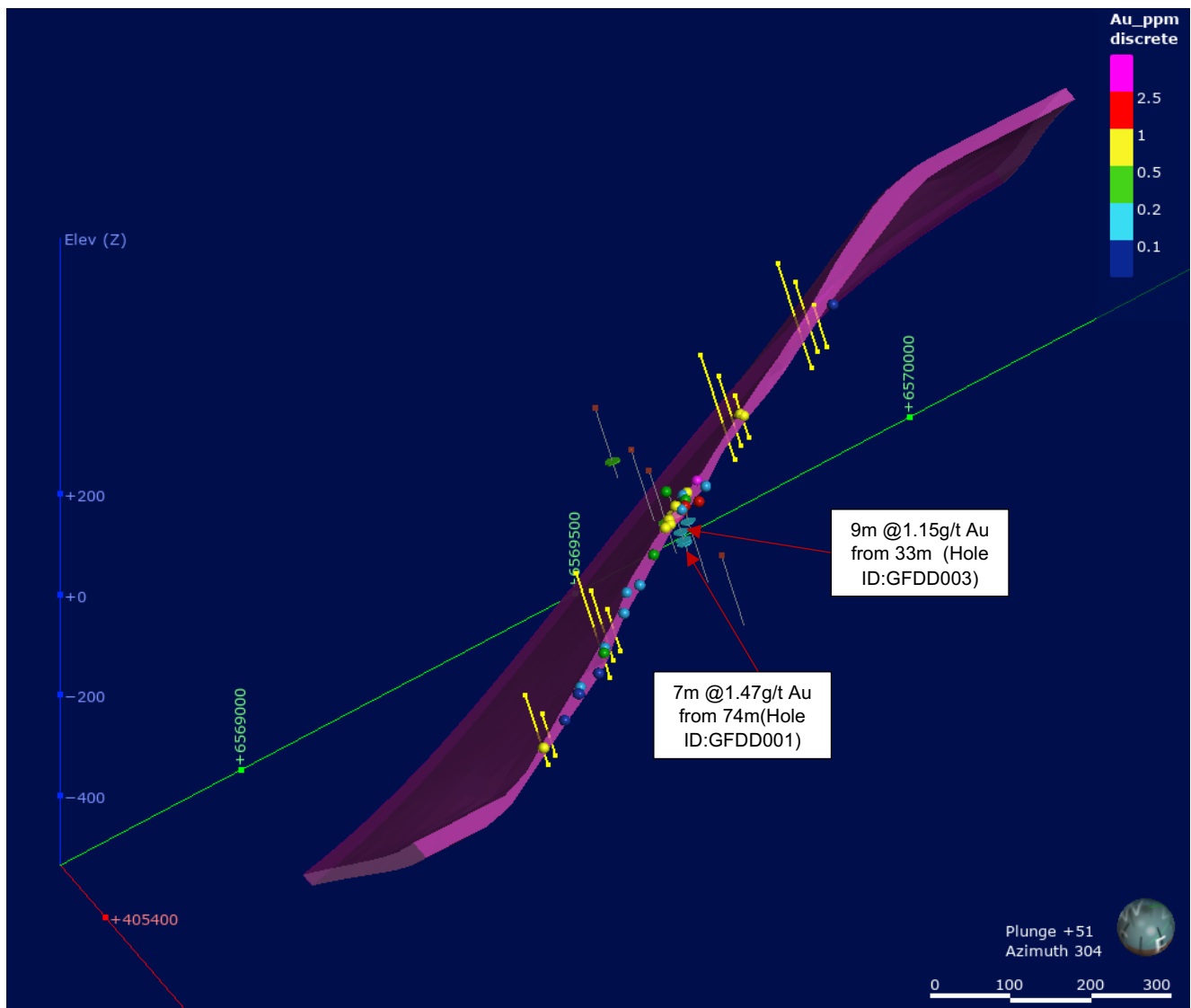


Figure 2: Inclined section looking north-west showing the Gards Porphyry (dark purple), proposed RC drilling (yellow traces), previous Placer Dome drilling (grey traces) and rock-chip and soil anomalism proximal to the Gards Porphyry.

Mineralisation observed in outcrop correlates to moderate-strong albite-pyrite±sericite alteration associated with quartz veining which broadly forms a sheeted vein stockwork/breccia which is interpreted to have developed as tensional veins orthogonal to the regional northwest foliation/shearing and porphyry-volcaniclastic contact.

Deformation intensity appears strongest along the hangingwall contact of the Gards porphyry.

Extensive rock chip and soil samples to a maximum of 3.7g/t Au have defined a 1,000m long and 150m wide anomaly >20ppb Au centred on the porphyry unit.

GOLDEN SHOVEL PROSPECT

The Golden Shovel area targeted by the proposed drilling is geologically similar to the Gards prospect outlined above, however in addition it has a 2-3m thick mineralized chert horizon that has been the subject of old workings. The chert and porphyry appear to be separated by a roughly 5-10m thick unit of foliated and sericite altered intermediate volcaniclastic unit. Both lithologies were observed to be mineralized by northeast striking quartz veining.

The planned drill programme is designed to target both the chert and porphyry mineralised zones proximal to anomalous rock-chip samples of up to 2.33g/t Au. This drilling will indicate the likely bedrock thickness and grade for the mineralisation in both zones as well as help with the interpretation of the stratigraphy.

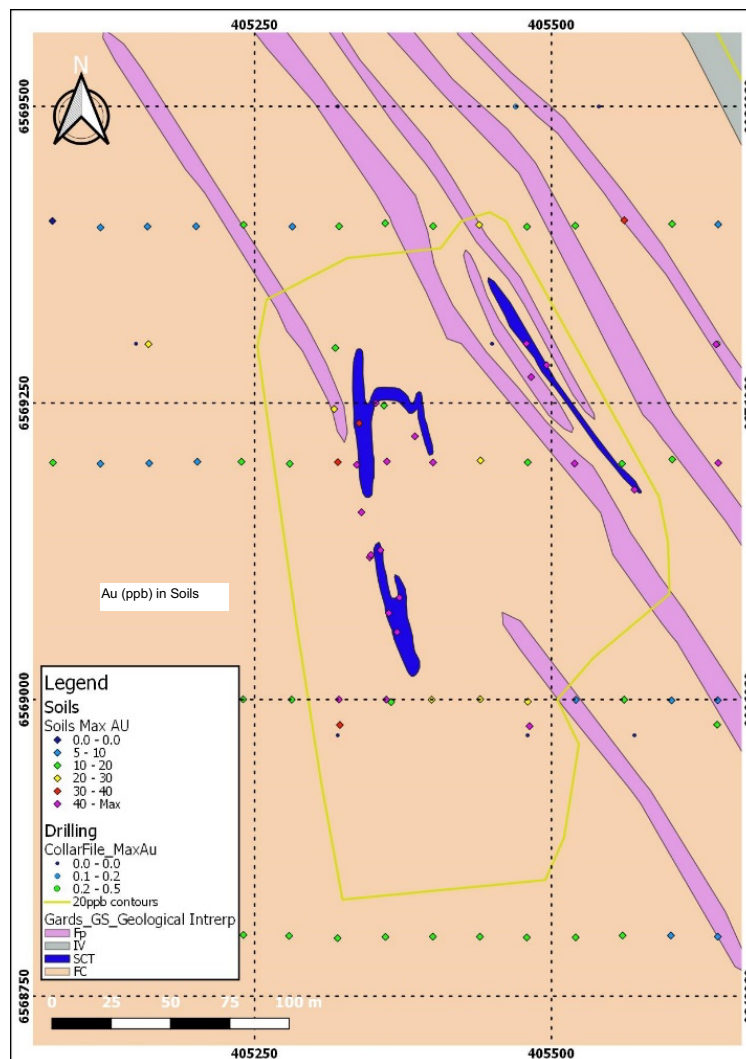


Figure 3: Plan view geological map (Fp = Felsic porphyry, Iv = Intermediate volcanic, SCT= Chert & FC = Felsic conglomerate) showing soil samples and previous max Au in hole at the drill collar.

MOONBAKER PROSPECT

Previous exploration completed at Moonbaker consisted of extensive soil sampling and shallow RAB drilling that highlighted widespread sporadic anomalism. Results of the RAB drilling included JDRB0327, which intersected 12m @ 5.4 g/t Au (incl. 6m @ 9.6g/t Au) from 9m to EOH.

Follow-up drilling did not repeat the high grade intersections, however, limited outcrop/subcrop in the area along with known mineralization in the surrounding region, including at the Trojan prospect (8km along strike to the NNE), all appear to be west-dipping, not east-dipping. It is now interpreted that the follow-up drilling failed to test the likely down-dip extent of the mineralisation (Figure 4). The planned drill programme will further test the prospect to better understand the controls on mineralisation, including structural orientation.

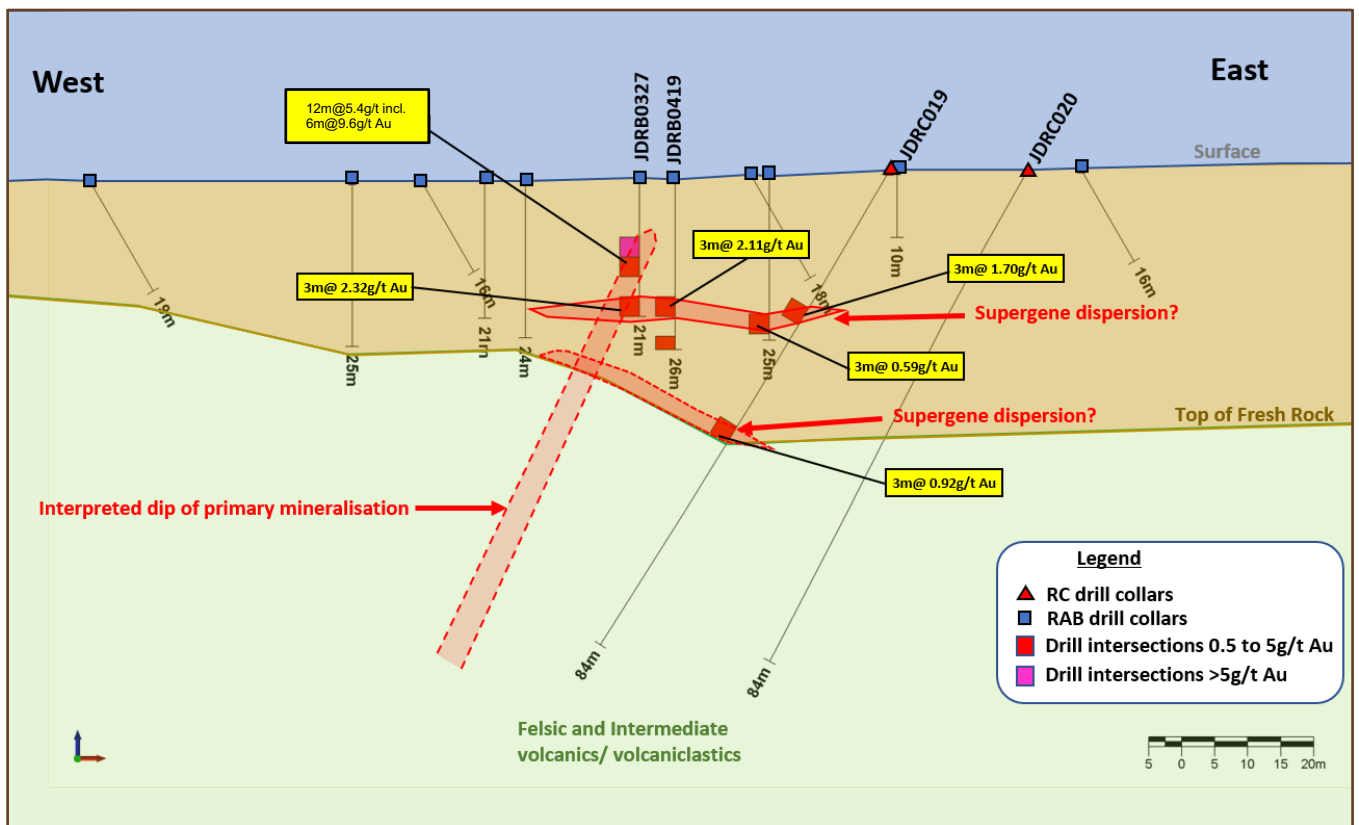


Figure 4: Interpreted cross-section of Moonbaker prospect.

Drilling Schedule

It is anticipated that planned drilling will be completed by mid-December and results reported by end-January 2021.

This ASX release has been approved by the Board of Directors

For further information:

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Investor Relations

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About Essential Metals Limited

Following successful completion of the Sinclair Caesium Mine, Essential Metals is now a well-funded and active explorer focused on key global demand-driven commodities, looking for its next opportunity to create shareholder wealth through exploration and project development. The Company operates a portfolio of strategically located lithium, caesium, gold, nickel and cobalt projects in mining regions in Western Australia, plus a high-quality lithium asset in Canada.

Lithium - Caesium:

- The **Pioneer Dome LCT Project** is highly prospective for lithium-caesium-tantalum (LCT) mineral systems:
 - The **Dome North Lithium Project** is located in the northern area where multiple spodumene bearing pegmatites were discovered in 2019. It now has a Mineral Resource of 11.2 million tonnes @ 1.21% Li₂O.
 - The **Sinclair Caesium Deposit** that was successfully developed and mined by the Company and extensions to the deposit are currently being explored.
- The Company holds a 51% Project interest in the **Mavis Lake Lithium Project**, Canada where Company drilling has intersected spodumene.

Gold:

- The **Juglah Dome Project** is located ~60km ESE of Kalgoorlie and is considered to be highly prospective for gold with recent work also raising its prospectivity for VHMS style polymetallic deposits.
- The **Blair - Golden Ridge Project** is located ~25km ESE of Kalgoorlie, WA and is prospective for gold. Activities are focussed on reappraising known prospects as well as identifying new areas within the large land tenure.

Gold Farmin/Joint Ventures: Essential Metals has three free-carried interests with well credentialed JV partners:

- **Acra JV Project** near Kalgoorlie: Northern Star Resources Limited (ASX:NST) has earned a 75% Project Interest and continues to fully fund exploration programmes until approval of a Mining Proposal by DMIRS with Essential Metals retaining a 25% interest.
- **Kangan Project** in the West Pilbara: A farmin & JV agreement with Novo Resources Corp (TSXV:NVO) and Sumitomo Corporation will fully fund gold exploration programmes until a decision to mine is made, with Essential Metals retaining a 30% interest.
- **Balagundi Project:** A farmin & JV agreement where Black Cat Syndicate Limited (ASX:BC8) is earning a 75% interest in the Project located at Bulong, near Kalgoorlie. Black Cat will then fully fund gold exploration programmes until a decision to mine is made, with Essential Metals retaining a 25% interest.

Nickel: The **Blair-Golden Ridge Project** includes the suspended Blair Nickel Sulphide Mine and the advanced Leo Dam prospect as well as several other compelling prospects.

Reference to previous market announcements

The information relating to exploration results from the Juglah Dome project was extracted from the announcement titled:

- 28 August 2020 “Juglah Dome Project exploration commences”

The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Forward Looking Statement

This announcement may contain forward-looking statements which involve a number of risks and uncertainties. These forward looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions, and estimates should change or to reflect other future developments.

Competent Person Statement

Mr Andrew Dunn (MAIG), Exploration Manager who is employed full-time by Essential Metals Limited, compiled the technical aspects of this Report. Mr Dunn is a member of the Australian Institute of Geoscientists and has sufficient experience that is relevant to this style of mineralization and type of deposit under consideration and to the activity that is being reported on 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”. Mr Dunn consents to the inclusion in the report of the matters in the form and context in which it appears.