

ASX Code: ESS

Corporate Profile

Shares on issue: 175 million
Cash: \$4.7m (30 Nov 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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16 December 2020

Oversubscribed Share Purchase Plan raises \$2.14 million to advance WA gold exploration

HIGHLIGHTS

- **Share Purchase Plan (SPP)**
 - \$2.14 million raised in oversubscribed SPP.
- **Option Offer Prospectus**
 - SPP participants to receive personalised SPP options prospectus application form to receive one free listed option for every two shares issued under the SPP.
- **Use of Funds – fast-tracking two exciting WA gold projects**

Along with the recent successful share placement, which raised \$2.05 million, the SPP proceeds will underpin multi-phase exploration programs aimed at advancing the Company's two exciting gold projects near Kalgoorlie, Juglah Dome and Golden Ridge, including:

 - Drilling to test the Gards, Golden Shovel, Moonbaker and Dwyer prospects at Juglah Dome (drilling already underway);
 - Drilling at Golden Ridge to test two parallel ~1km long gold elevated gold soil anomalies (AC75 prospect), as well as other targets, in the March 2021 Quarter.
 - A follow-up drill program at Juglah Dome based on the results of the December drilling, expected in January 2021.

Essential Metals Managing Director, Tim Spencer, said: *"The strong SPP take-up shows that shareholders see value in our recently commenced gold exploration programs, validating the quality and potential of the targets we have defined at our two key gold projects – Juglah Dome and Golden Ridge. I would like to thank them for their ongoing support."*

"In addition to this, eligible directors and members of our senior management team have also taken up their allocation under the SPP, which is a great vote of support for the programmes of work currently underway and, more broadly, for the growth potential of our Company."

Completion of SPP

Essential Metals Limited (ASX: ESS) (the “Company”) is pleased to announce the completion of the Company’s recently announced Share Purchase Plan, which was scaled back based on director discretion to raise a total of \$2.14 million. An Appendix 2A will follow this announcement. Shareholders who participated in the SPP are entitled to apply for one free option for every two SPP shares subscribed for and issued. The Company will be seeking quotation of the options on the ASX.

Background to the SPP Option Offer (“Offer”)

On 18 November 2020, the Company announced that it was undertaking a placement to raise approximately \$2.05 million through the issue of Shares at 8.5 cents per Share, together with 1 free new Option for every 2 Shares subscribed for. In the same announcement, the Company also announced its intention to undertake an SPP offer to eligible shareholders which commenced on 20 November 2020 and closed on 11 December 2020.

Eligible shareholders who participated in the SPP would receive the right to participate in a subsequent offer of Options on the basis of 1 New Option for every 2 Shares applied for and issued under the SPP, so that eligible shareholders could participate in the raising of capital by the Company on the same terms as the placement.

On 26 November 2020 the ASX granted quotation of the same class of New Options being offered under this Offer, meaning that Eligible Participants in this Offer will be receiving New Options that are listed on ASX and capable of being traded on ASX (subject to their being a market for those New Options). Each new Option will be exercisable at \$0.15 and will expire on 30 November 2022.

Eligible Participants

You are an Eligible Participant in this Offer if you subscribed for and received Shares under the SPP.

Your Entitlement is 1 Option for every 2 Shares subscribed for under the Offer and issued to you under the SPP, rounded down to the nearest whole number.

Your Entitlement is not impacted if you have sold the Shares you acquired under the SPP prior to receiving this Offer or if you have acquired or had transferred to you Shares subscribed for by other Eligible Participants in the SPP.

SPP Option Offer Prospectus

IMPORTANT: Eligible Applicants will be deemed to have accepted their respective New Option Entitlement if the Company does not receive notice to the contrary prior to the Closing Date in response to an Entitlement Form accompanying the Prospectus. Accordingly, an Eligible Applicant does not need to do anything to accept the Offer applicable to them.

You do not need to pay anything for the New Options offered to you under this Offer.

Key dates

Event	Date
SPP allocation announcement	Wednesday, 16 December 2020
SPP share allotment date and despatch of Holding Statements	Wednesday, 16 December 2020
Lodgement of Option Offer Prospectus with ASIC and ASX	Friday, 18 December 2020
Offer opening date	Friday, 18 December 2020
Offer closing date	Tuesday, 12 January 2021
Allotment of SPP Options and despatch of Holding Statements	Thursday, 14 January 2021

The Company advises that it will be requesting quotation for 25,176,342 shares under the SPP which differs to 8,823,529 shares as announced in the Company's Appendix 3B dated 18 November 2020 relating to the proposed issue of shares under the SPP.

Further Information

If you have any questions in relation to the Offer or how to complete the Prosectus Application Form, please call Carl Travaglini, Company Secretary on +61 8 9322 6974 or the Share Registry, Automic Group, on 1300 288 664.

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

Essential Metals is 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.

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.