



ESSENTIAL METALS

for a sustainable future

4 August 2021

Successful \$5M placement to accelerate lithium exploration

Raising will see Essential Metals advance its strategy to become a new force in the lithium supply chain

Essential Metals Limited ("Essential", "the Company") is pleased to announce that it has received firm commitments from institutional and sophisticated investors to complete a placement of \$5,000,000 (gross proceeds) ("Placement").

The Funds received from the Placement will be used to advance the Company's 100%-owned Pioneer Dome Lithium Project, located 150km south of Kalgoorlie in Western Australia, over the coming financial year.

Activities planned include:

- Additional drilling at Dome North to follow-up results from the drilling programme currently underway;
- Expanding exploration activities, including over the under-explored gneiss belt which runs the full length of the project and in the Dome South area to the south of the Pioneer Granite Dome ; and
- Commencement of feasibility studies once lithium Mineral Resources (currently 11.2Mt @ 1.21% lithium (Li₂O)) are of sufficient size. Such a decision will be influenced by spodumene market pricing as well as the quantity and grade of the Mineral Resource and other factors.

The Placement will comprise the issue of 40,000,000 ordinary shares at a price of \$0.125 per share to raise \$5 million. The Placement shares will be issued under the Company's 10% placement capacity under Listing Rule 7.1A (20,081,730 shares) and under the Company's 15% placement capacity under Listing Rule 7.1 (19,918,270 shares). Allotment of the Placement shares will take place on 11 August 2021.

The four directors of the Company have made commitments to participate in the Placement totalling \$150,000, subject to shareholder approval at the next shareholder meeting.

Taylor Collison acted as Lead Manager for the Placement.

Essential Metals Managing Director, Tim Spencer, said: *"This Placement is a strong vote of confidence in our Pioneer Dome Lithium Project and our strategy to become a new force in the global lithium supply chain. We are delighted to welcome a number of new investment funds and family offices to the Essential Metals register through this placement, with the funds providing the Company with a robust balance sheet to advance our lithium growth strategy."*

ASX Code: ESS

Corporate Profile

Shares on issue: 200,817,300
Cash: \$5.5m (30 June 2021)
Debt: Nil

KEY PROJECTS

LITHIUM Pioneer Dome
GOLD Golden Ridge
GOLD Juglah Dome

Joint Ventures (ESS %)

1 x lithium project (51%)
2 x nickel projects (20-25%)*
4 x gold projects (25-30%)*
* Free carried to a decision to mine

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

Investor Relations

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This ASX release has been approved by the Board of Directors.

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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, focussed on the creation of shareholder wealth through exploration and project development. The Company operates **three strategically located lithium and gold projects** in Western Australia.

100% OWNED AND MANAGED PROJECTS:

- **LITHIUM:** The **Pioneer Dome Lithium Project** is highly prospective for lithium-caesium-tantalum (LCT) mineral systems and includes the **Dome North Lithium Mineral Resource** of 11.2 million tonnes @ 1.21% lithium (Li₂O).
- **GOLD:** The **Juglah Dome Project** is located 60km east-south-east of Kalgoorlie and is considered to be highly prospective for gold and has potential for VHMS style polymetallic deposits.
- **GOLD:** The **Golden Ridge Project** is located ~20km south-east of Kalgoorlie, WA. Our activities are focussed on reappraising known prospects as well as identifying new areas within the large land tenure.

JOINT VENTURE INTERESTS:

- **LITHIUM:** The Company holds a 51% Project interest in the **Mavis Lake** Project, Ontario, Canada where drilling has intersected spodumene.
- **GOLD:** The **Acra** Project is 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 is received with Essential Metals holding a 25% interest.
- **GOLD:** The **Kangan** Project is in the West Pilbara and part of a joint venture with Novo Resources Corp (TSXV:NVO) and Sumitomo Corporation (TYO:8053), who will jointly fund 100% of gold exploration programmes until a decision to mine is made, with Essential Metals holding a 30% interest.
- **GOLD:** The **Balagundi** Project is subject to 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.
- **GOLD:** The Company holds a 25% free-carried interest (20% for nickel rights) in the **Larkinville** Project near Kambalda, WA, with Maximus Resources Ltd (ASX:MXR).
- **NICKEL:** The nickel mineral rights on the **Blair-Golden Ridge** Project, which includes the suspended Blair Nickel Sulphide Mine, are subject to a Farmin/Joint Venture with Crest Investment Group, a nickel exploration specialist which is earning up to a 75% interest. The Company will retain a 25% free-carried interest up to a decision to mine.
- **NICKEL:** The Company holds a 20% free-carried interest (nickel only) in the **Wattle Dam** project near Kambalda, WA, with Maximus Resources Ltd (ASX:MXR).



Forward Looking Statements

This ASX 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.

Reference to previous market announcements

Previous ASX releases referred to in this release:

- 19 July 2021 – Dome North lithium drilling commences
- 29 September 2020 – Dome North Resource upgrade

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.

Mineral Resource Statement

The Dome North Lithium Project				
Project area	Category	Tonnes (Mt)	Grade (Li ₂ O %)	Tonnes Li ₂ O
Cade Deposit	Indicated	5.4	1.30	70,000
	Inferred	2.8	1.18	33,000
Davy Deposit	Inferred	2.3	1.13	25,000
Heller Deposit	Inferred	0.7	1.02	8,000
Total		11.2	1.21	136,000

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 eligible to receive equity-based securities in Essential Metals Limited under the Company's employee incentive schemes. 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.