FORRESTANIA RESOURCES

ASX:FRS

4 October 2021

INITIAL FIELD PROGRAM CONFIRMS PEGMATITIES AT FORRESTANIA PROJECT

Highlights:

- **Maiden lithium-focussed, geological mapping and sampling program carried out at Forrestania Project, located adjacent to the world-class Wesfarmers / SQM Mt Holland Lithium Mine and Western Areas Nickel Project.**
- **Analysis is ongoing with encouraging initial observations from the Gem Mining Lease 77/549:**
  - **mapping identified pegmatites in structural orientations analogous to Earl Grey;**
  - **coarse-grained, fractionated pegmatites containing potential lithium-bearing minerals; and**
  - **assays from rock chip sampling expected in approximately four to six weeks.**
- **Deep Ground Penetrating Radar (DGPR) geophysical survey across M77/549 completed with key aims:**
  - **to identify potential pegmatite horizons that may be associated with historical intercept of 33 metres grading 3.2% LiO_2;**
  - **characterise the geometry of potential pegmatite accumulations; and**
  - **directly identify drill ready pegmatite targets to follow up.**
- **DGPR results expected in the coming weeks.**
- **Review of historic data reveals potential for untested voluminous pegmatites on the Gem M77/549 and right across the Forrestania Project.**
- **Forrestania has a multi-faceted approach to systematically evaluate, explore, and advance an impressive portfolio of lithium targets.**
- **Drill permitting underway and is planned to commence once the requisite statutory and environmental approvals are in place.**

Forrestania Resources Limited (ASX:FRS) (Forrestania or the Company), is pleased to advise the completion of its inaugural lithium-focused mapping and sampling program across priority targets at the Forrestania Lithium, Gold, and Nickel Project, located in Western Australia, approximately 80 kilometres east of Hyden.

Forrestania Lithium, Gold and Nickel Project - Background

The Project occupies a commanding land position directly adjacent to Wesfarmers (ASX: WES) and Sociedad Química y Minera de Chile's (NYSE: SQM) Mt Holland Project and is host to numerous overlooked and highly prospective, undrilled lithium targets, historical high-grade gold projects, and early-stage nickel geochemical anomalies (Figure 1).

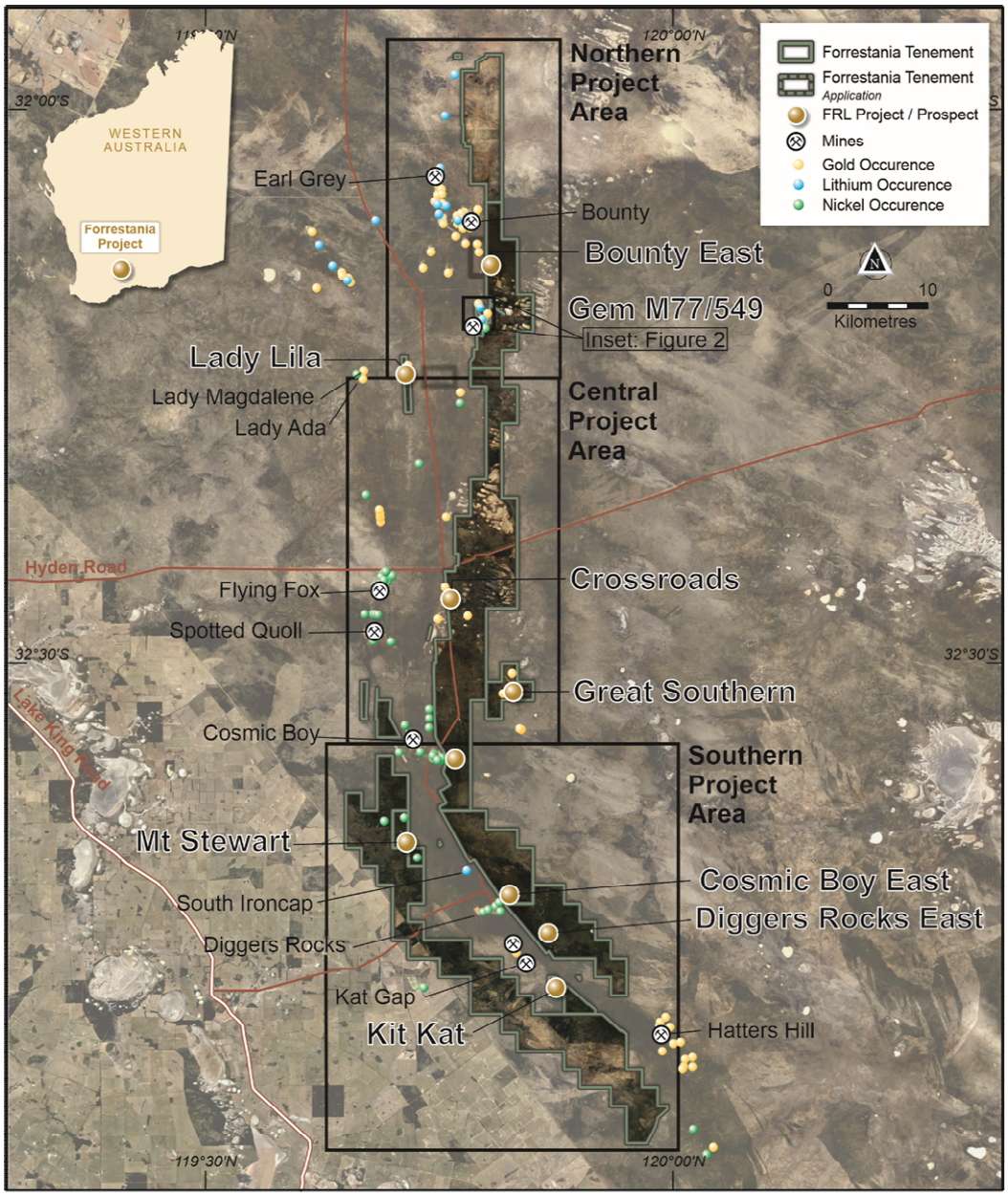

Figure 1. Forrestania Lithium, Gold and Nickel Project, Western Australia.

Before the mid-1980's, Forrestania was largely dominated by nickel plays, until the discovery of gold at Bounty by the Aztec Mining Company Ltd. Bounty produced approximately 1.3 million ounces of gold over a 12 year mine life.

On June 2, 2016, Kidman Resources Limited (ASX: KDR) reported that "spectacular" high-grade lithium was identified from re-assaying drilling samples from underneath the Bounty gold deposit, with initial results including 52.2 metres grading 1.53% Li_2O from 33m[1]. This discovery became known as the world-class *Earl Grey* deposit, subsequently acquired by Wesfarmers and SQM.

Kidman's first drilling campaign from June to November 2016 defined a Maiden JORC Indicated and Inferred Resource of 128 million tonnes grading 1.44% Li_2O. Today, the project contains Proven and Probable Ore Reserves 94.2Mt @ 1.5% Li_2O. Construction has commenced on the Mt Holland Project and first production is expected in 2H CY24.

Gem Mining Lease 77/549

Firefly Resources (ASX:FFR; formerly Marindi Metals) acquired M77/549 in 2016, host to the historic Gem Pegmatite Mine, to add to its sizeable portfolio in the area (refer Figure 1; Northern Project Area and Figure 2), which is now owned by FRS.

The Gem Pegmatite Mine was operated by private owners during the 1980s to extract the lithium-rich gemstone mineral rubellite and tantalum minerals as a by-product. Gem was mined to a depth of approximately 15m and several exploration shafts were sunk in anticipation of extracting further rubellite.

Drilling traverses conducted by FFR during 2016 and 2017 identified lithium-caesium-tantalum (LCT) pegmatites across M77/549, with the most significant intercept from the Giant Prospect, where GPRC06 returned a **33m grading 3.2% Li_2O from 69m, including 13m @ 4% Li_20 from 81m**.

Importantly, GPRC06 contained a **106m zone of highly fractionated pegmatite that does not outcrop at surface**[2].

This drill hole was followed up with GPRC26 and GPRC27, but failed to replicate the initial wide, high-grade lithium intercept. However, no follow up drilling was conducted to the east of GPRC06, or at depth.

In 2017, Firefly noted that "a series of flat lying [easterly dipping] pegmatites is interpreted to be the source of the surface mineralisation", to explain historic RAB pegmatite intercepts and surface tantalum anomalism earlier identified.

During 2019, Firefly engaged lithium expert Dr. Leigh Bettenay[3], who developed an LCT pegmatite exploration model specific to the Forrestania Project, now under FRS's tenure. The model is supported by strong empirical evidence to indicate its validity and suggests that previous drilling may not be optimally oriented to target the most lithium-enriched zones.

The LCT exploration model proposes that pegmatites occur locally in the Forrestania region in two geometrical configurations:

1. **north-south** (NW-SE-striking) narrow "**veins**" that are linked to;
2. **east-west** (NE-SW-striking) "**accumulation**" zones, which are larger and more voluminous.

Across M77/549, the larger east-west LCT-pegmatite accumulations strike at right-angles to the north-south veins and appear to be hosted in a significant dilation or strain accommodation zones, akin to the setting at the Earl Grey lithium deposit, located only 10 kilometres to the NNW.

Notably, the pegmatite accumulations at Earl Grey can be metres, to hundreds of metres thick, are commonly "sheeted" or stacked and are commonly sub-horizontal or gently dipping, as demonstrated in Figure 3.

Considering Dr Bettenay's LCT model, Forrestania believes that historic drilling initially targeted, and indeed intersected, the north-south oriented pegmatite veins, and that the volume of pegmatites at Gem may be potentially much larger.

No previous drilling specifically targeted the east-west oriented pegmatite accumulation zones at the Gem Project.

Forrestania intends to systematically test this theory and has commenced the drill permitting process. Drilling is planned to commence once all the requisite statutory and environmental approvals are in place.

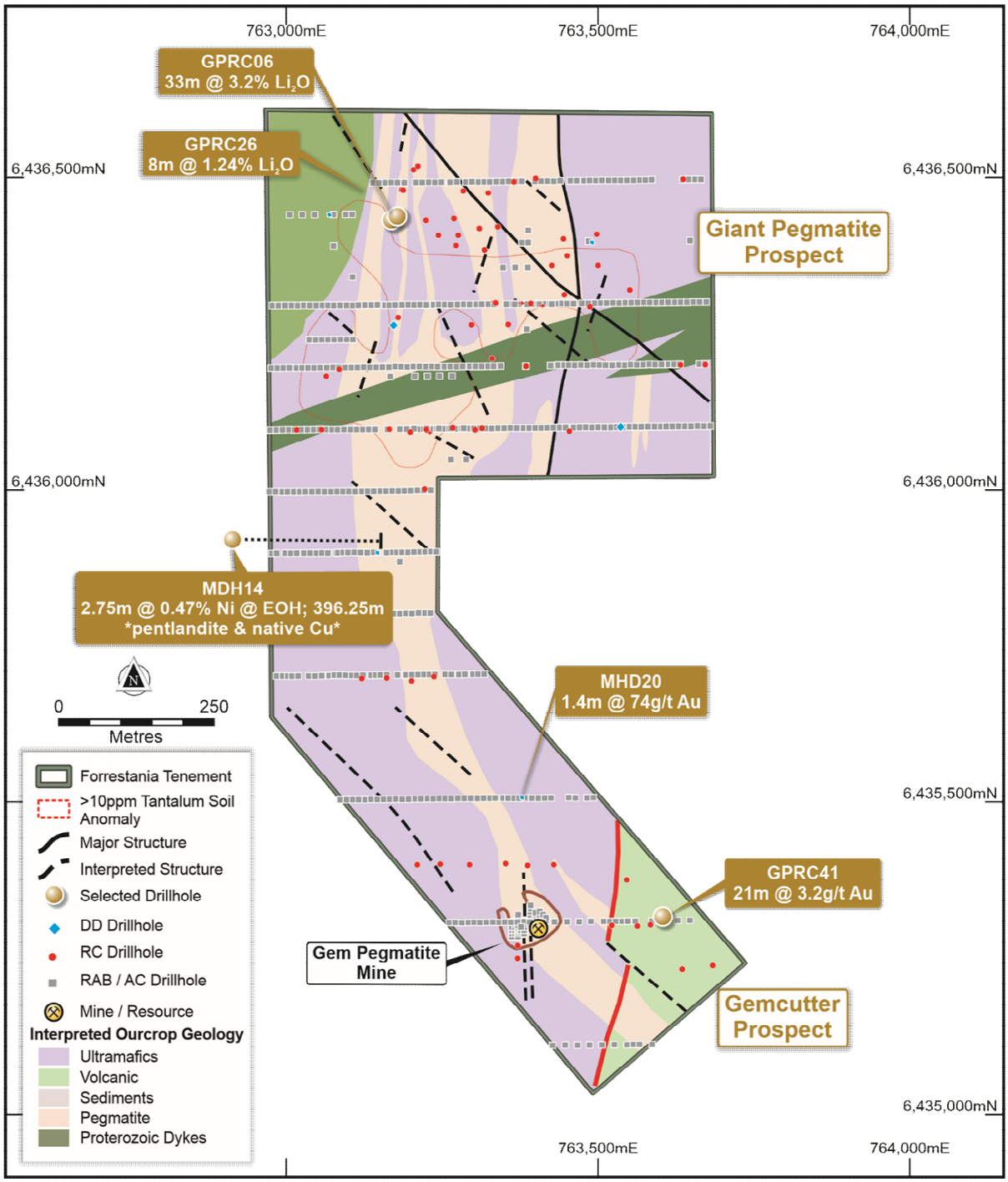

Figure 2. Gem M77/549 (100% FRS) showing historical drilling, prospect localities and interpreted outcrop geology.

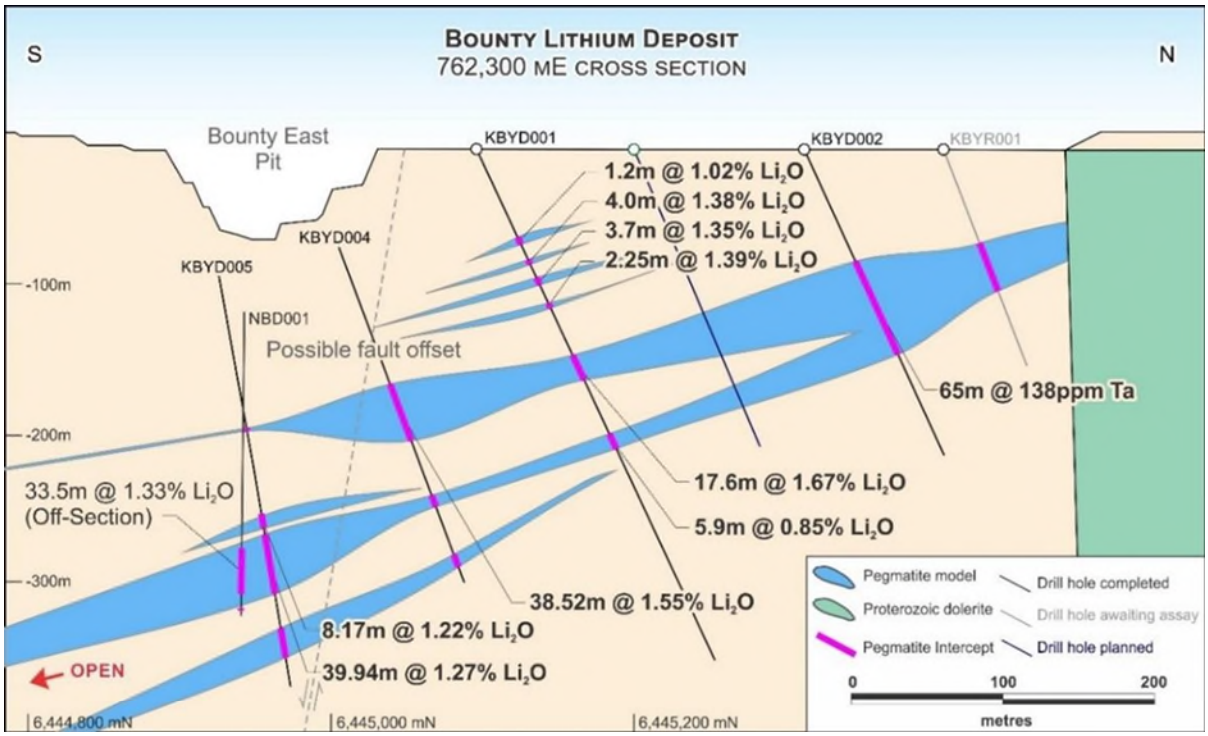

Figure 3. Schematic north-south long-section interpretation of mineralised pegmatites from the Mt Holland Project – note gentle dip and pinch and swell geometry (ASX:WES:SQM)[4].

Current Lithium Focussed Exploration at the Forrestania Project

Forrestania has a multi-faceted approach to systematically evaluate, explore, and advance our portfolio of existing lithium targets, and add new targets to the pipeline. To rapidly advance the highest priority lithium targets within the coming months, the Company will employ cost-effective, complementary, and superior exploration techniques.

In addition to the significant drilling result on M77/549, there have been multiple existing prospective early-stage lithium targets identified at the Forrestania Project, with little follow up exploration undertaken by previous owners.

FRS is currently reviewing results from previous exploration across the entire Forrestania Project and compiling additional data such as ASTER (Advanced Spaceborne Thermal Emission and Reflection Radiometer) imagery to identify targets for upcoming lithium focussed exploration programs.

The first phase of lithium exploration has been completed, which consisted of a geological mapping and sampling program aimed to identify the orientation of, and sample outcropping pegmatite occurrences across M77/549. The historic Gem mine was also a focus study area with rock samples taken, and geology and structure mapped where possible.

Analysis is ongoing and will be released in due course; however initial observations are encouraging, with coarse grained-fractionated pegmatites noted, and sampled across several localities on M77/549. Assays are expected within four to six weeks.

Additionally, FRS has engaged Ultramag Geophysics to conduct a Deep Ground Penetrating Radar (DGPR) survey across M77/549. The survey was completed as at the end of September and results are anticipated within the coming weeks.

DGPR is a leading technology that uses a combination of rock dielectricity and conductivity to map the subsurface rocks and structure, providing a 3D picture of the top 100m to 150m from surface.

Ultramag has undertaken case studies using DGPR to identify known isolated pegmatites, pegmatite clusters and pegmatite sills. The resulting anomalies in the DGPR imagery can theoretically be used to rapidly prioritise targets and more precisely locate drill holes.

The Company plans to rapidly follow up targets identified by the DGPR survey across M77/549 and will prioritise locations where existing anomalies are present to validate the geophysical methodology with RC drilling.

If the DGPR survey produces positive results, the implications for rapid, cost-effective exploration are very encouraging.

This announcement is authorised for release on behalf of the Board by Melanie Sutterby, CEO.

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About Forrestania Resources Limited

Forrestania Resources Limited is an exploration company searching for gold, lithium, and nickel in the Forrestania, Southern Cross and Leonora regions of Western Australia. The Forrestania Project is prospective for gold, lithium and nickel and is currently the only project, within the tenement portfolio that holds a gold Mineral Resource. The Southern Cross Project is prospective for gold and lithium and the Leonora Project is prospective for gold.

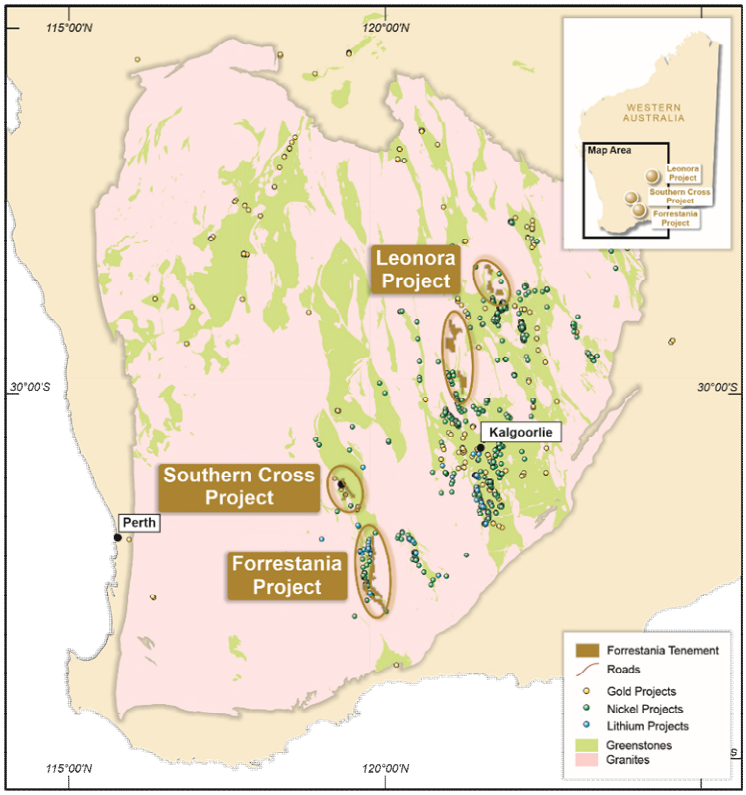
The Forrestania Project is situated in the well-endowed southern Forrestania Greenstone Belt, with a tenement footprint spanning approximately 100km, north-to-south of variously metamorphosed mafic/ultramafic/volcano-sedimentary rocks host to the historic 1Moz Bounty gold deposit, emerging Kat Gap gold deposit, the operating Flying Fox, and Spotted Quoll nickel mines, and the more recently discovered Earl Grey lithium deposit.

The Southern Cross Project tenements are scattered within proximity to the town of Southern Cross and located in and around the Southern Cross Greenstone Belt, which extends along strike for approximately 300km from Mt Jackson to Hatters Hill in the south. It is the Company's opinion that the potential for economic gold mineralisation at the Southern Cross Project has not been fully evaluated. In addition to greenstone shear-hosted gold deposits, Forrestania is targeting granite-hosted deposits. New geological models for late Archean granite-controlled shear zone/fault hosted mineralisation theorise that gold forming fluids, formed at deep crustal levels do not discriminate between lithologies when emplaced in the upper crust. Applying this theory, Forrestania has defined seven new targets.

The Leonora Project tenements are located within the Norseman-Wiluna Greenstone Belt of the Yilgarn Craton. The Project includes one Exploration Licence and five Exploration Licence Applications, covering a total of 856.7km^2. The tenements are predominately non-contiguous and scattered over 200km length of the greenstone belt. The southernmost tenement is approximately 15 km southeast of the town of Menzies, and the northernmost tenement is located approximately 70 km northeast of Leonora. Prior exploration over the project area has focussed on gold, diamonds, and uranium. Tenements in the Project have been variably subjected to soil sampling, stream sampling, drilling, mapping, rock chip sampling and geophysical surveys.

Priority drilling targets have been identified in both project areas and the Company is well funded to undertake effective exploration programs.

The Company has an experienced Board and management team which is focused on discovery to increase value for Shareholders.



Competent Person's Statement

The information in this report that relates to Exploration Results is based on and fairly represents information compiled by Miss Melanie Sutterby. Miss Sutterby is the CEO of Forrestania Resources Limited and is a member of both the Australasian Institute of Mining and Metallurgy and the Australasian Institute of Geoscientists. Miss Sutterby has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Miss Sutterby consents to the inclusion in this report of the matters based on information in the form and context in which they appear.

Disclosure

The information in this announcement is based on the following publicly available ASX announcements, which are available from https://www2.asx.com.au/

1. ASK:KDR release dated 19 March 2019 - Developing a Leading Integrated Lithium Project*; release dated* 15 July 2016
2. MZN Firefly Resources: ASX Release – 28 December 2016 – High Grade Lithium Intersected at the Gem Pegmatite ML; 28 December 2016 – High Grade Li Assays Confirmed at Gem Pegmatite; MZN Firefly Resources. ASX Release 21 December 2017 - Lithium Exploration at Forrestania Defines Large Anomalies
3. FFR:ASX release dated 29 May 2019 - Marindi secures new lithium and gold targets at Forrestania; MZN Firefly Resources: ASX Release 28 April 2017 - Forrestania Lithium Project
4. KDR: ASX Release 26 April 2018 – Quarterly Activities Report – March 2018

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcements and that all material assumptions and technical parameters underpinning the relevant ASX 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 represented have not been materially modified from the original ASX announcements.