ERRAWARRA
Resources
ABN 95 155 472 834

ASX ANNOUNCEMENT

23 November 2021

ACQUISITION OF OUTSTANDING NICKEL PROSPECT

- **Errawarra Resources to acquire 80% of the fully paid ordinary shares in Western Exploration Pty Ltd, the registered holder of Exploration Licence application E47/4352**
- **E47/4352, located immediately adjacent to Azure Mineral Limited's Andover Nickel Project, 35 km to the southeast of Karratha in Western Australia**
- **Historical work has identified a significant EM anomaly approximately 2.8km along strike from Azure's VC-07 discovery, which is now undergoing a resource drill out**
- **The Board is also pleased to announce it has received binding commitments from investors to raise $1,232,000 (before costs) at $0.22 per share via a share placement to support initial exploration activities on this new project**

Errawarra Resources Limited (ASX: ERW) ("Errawarra" or "the Company") is pleased to advise that, subject to shareholder approval, it has entered into a binding agreement to acquire an 80% interest in Western Exploration Pty Ltd, the holder of application E47/4352 which comprises the AndoverWest Project (the **Tenement**). Western Exploration Pty Ltd holds all mineral rights with the exception of Iron Ore. Mr Thomas Reddicliffe, a director of Errawarra, is the sole director and shareholder of Western Exploration (the **Vendor**).

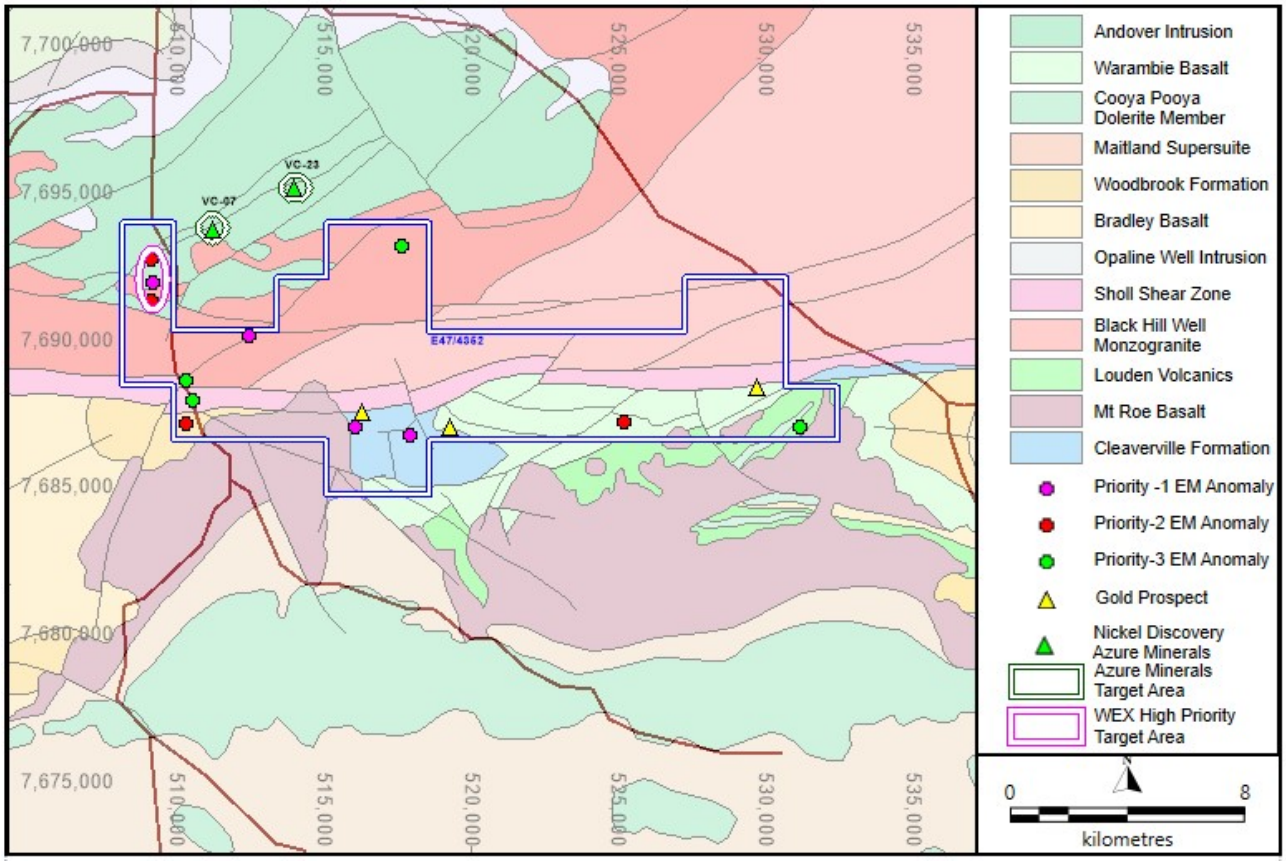
The acquisition is subject to the grant of E47/4352 and all necessary shareholder, regulatory and third party approvals being obtained. The Company proposes to seek approvals at a general meeting to be held around mid-February 2022.

ANDOVERWEST NICKEL PROJECT

The AndoverWest Project is situated within the north-western portion of the Pilbara Craton and covers granite greenstone terrane lithologies hosted within the West Pilbara Super Terrane.

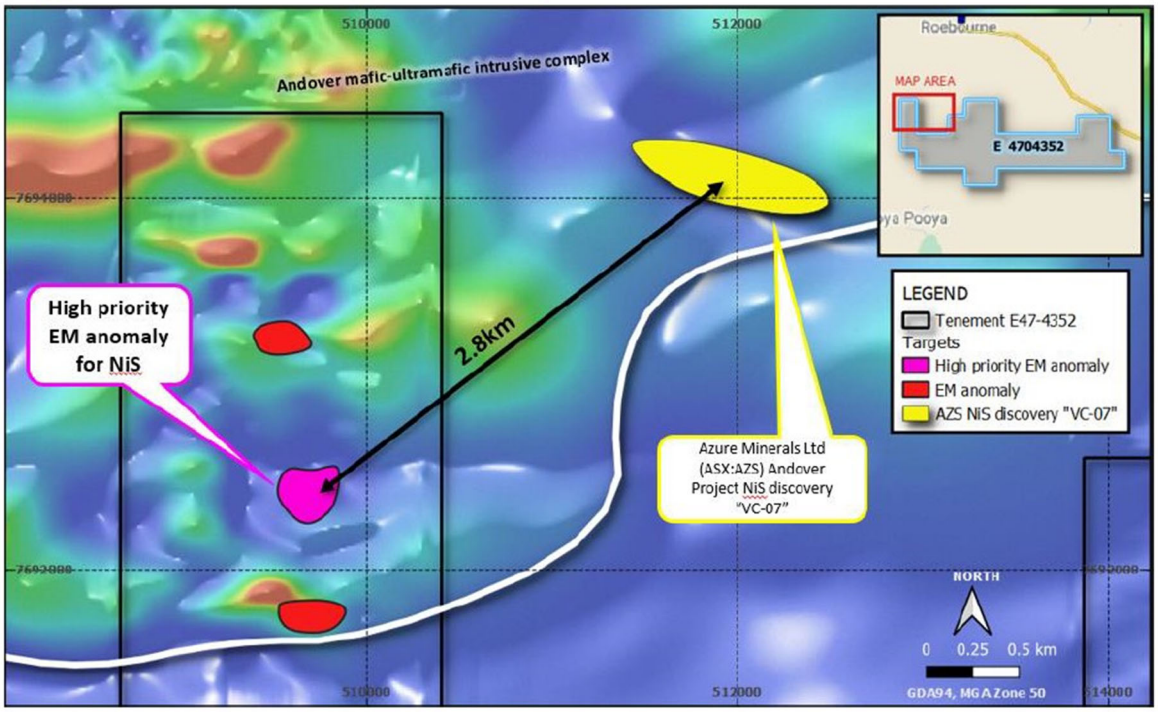
Locally, the AndoverWest Project is bisected by the major regionally extensive, long lived and multiply reactivated Sholl Shear Zone (SSZ), which trends east west through the centre of the Tenement and constitutes a deformation zone of around 1km wide that separates major terranes and super basins.

The Karratha Terrane located on the north side of the SSZ is dominated by the Harding Granitic Complex, comprised of the Maitland River and Orpheus Supersuites. Of economic interest is the Andover Intrusive Complex of the Orpheus Supersuite which is host to nickel sulphide mineralisation (Azure Minerals Ltd ASX announcement on 12 October 2020) and which also outcrops in the northwest corner of the Tenement.



Location of the Tenement and Priority EM anomalies relative to Azure's VC-07 Ni-sulphide discovery

The highest priority EM (Electromagnetic) target identified from historic work is located along the southern margin of the Andover Intrusive Complex in the northwest corner of the AndoverWest Tenement, and some 2 8 km to the SW of Azure Minerals Ltd Nickel Sulphide discovery "VC 07" which sits within a similar position along the edge of the intrusion contact. Two additional associated VTEM targets have also been identified within the Andover Intrusive Complex to the north and south of the high priority EM target area.



Location of High Priority EM anomaly and Azure's VC-07 Ni-sulphide discovery over TMI background

Previous explorers carried out ground based fixed loop EM (FLEM) surveying over four identified VTEM anomalies, with moderate conductors resolved. However, none of these targets were drill tested as the EM anomaly amplitudes and modelled conductive plate sources were considered too small to represent well-developed massive sulphides with economic potential. There has been a reassessment of the prospectivity of these EM targets in light of the recent success of Azure across the tenement boundary. The company considers these EM anomalies have not been properly explained, and that they represent valid untested targets requiring detailed follow up exploration, modelling and drill testing.

Following completion of the acquisition, the work programmes to be conducted will include:

- Further review of the historical surface geochemical and drilling databases to enable more detailed interpretation and targeting
- Detailed re-processing and review of VTEM and FLEM survey data, including conductor plate modelling and drill targeting
- Potentially plan new ground EM surveys using an E-W line orientation as opposed to the original surveys conducted on N-S line orientation (the potentially mineralised structures may trend N-S and therefore may not have been effectively detected by the historic VTEM and FLEM surveys)
- Review of the current heritage agreements and heritage surveys within the project area and arrange for additional heritage surveys if required
- Direct RC and/or diamond drilling on EM targets for Nickel Sulphide mineralisation in the Andover Intrusive Complex
- Carry out downhole EM surveying on new drillholes targeting sulphide mineralisation

Commenting on this acquisition, Errawarra's Non-Executive Chairman, Jonathan Murray, said: "We are very pleased to have negotiated the acquisition of the AndoverWest Project. The excellent work carried out by Mark Creasy and the Azure team has increased the interest in and profile of the region for nickel and other base metals.

With the electrification and decarbonisation of the economy continuing to gather pace, the successful identification of nickel sulphide deposits has potential to be value accretive for investors. We believe the AndoverWest Project provides Errawarra shareholders with exposure to a priority EM anomaly target as well as regional exploration potential."

KEY TERMS OF THE ACQUISITION

The terms for this acquisition are as follows:

(a) payment of a non-refundable deposit of $10,000 cash to the Vendor as expenditure reimbursement;

(b) on completion of the acquisition, Errawarra will:

  (i) issue 15,000,000 shares to the Vendor (or his nominees) at a deemed issue price of $0.20 per share; and

  (ii) issue 7,500,000 options to the Vendor (or his nominees) exercisable at $0.30 each on or before the date that is 3 years from the date of issue; and

(c) issue 5,000,000 shares to the Vendor (or his nominee) at a deemed issue price of $0.20 each upon the announcement of a JORC compliant Inferred Mineral Resources of at least 1,000,000 tonnes of nickel at 1% (including nickel equivalent metals) using industry standard cut-off grades.

Errawarra notes that the securities to be issued to the Vendor will be subject to escrow in accordance with the ASX Listing Rules.

Errawarra anticipates holding a general meeting to seek the necessary approvals around mid-February 2022 (**General Meeting**). Given the related party nature of the proposed acquisition and potential impacts to voting power, shareholder approval will be sought pursuant to ASX Listing Rule 10.1 and Item 7, Section 611 of the Corporations Act. An Independent Expert's Report on the acquisition will be provided to shareholders along with the notice of meeting.

PLACEMENT

Errawarra has received binding commitments from professional and sophisticated investors to raise $1,232,000 by way of a share placement (**Placement**). Proceeds from the Placement will be used to fund initial exploration at this new project, general working capital and to pay transaction costs. The issue of shares under the Placement is anticipated to occur by 30 November 2021.

Under the Placement, a total of 5,600,000 shares will be issued at a price of $0.22 per share.

This ASX announcement has been authorised for release by Jonathan Murray, on behalf of the Board.

For further information, please contact:

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APPENDIX 1

JORC Code, 2012 Edition – Table 1

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code Explanation	Commentary
Sampling Techniques	Nature and quality of sampling (e.g., cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	The following surveys were available for the tenement area. a) (2013) Airborne EM (VTEM), Survey - a multiclient survey managed by Southern Geoscience. Flown N-S at 200m line spacing and with average terrain separation of 84m. b) (2018) Aeromag Survey commissioned by Artemis. Flown N-S at 50m line spacing. c) A high powered (HP), fixed loop TEM (FLTEM) survey was completed November 2015 by Outer Rim Exploration Services Pty. Ltd. on behalf of Magnetic South Pty. Ltd. The HP FLTEM surveys conducted on 4 targets comprised 19 traverse lines (4 loops) for 17.03 line kms of surveying (369stns). All data were acquired with a SMARTem24 instrument combined with an ORE HP transmitter and a B-field fluxgate sensor working at a base frequency of 1.5625-5Hz (50-160ms time base).
	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.)	No drilling is being reported in this announcement.
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material	No drilling is being reported in this announcement.
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	No drilling is being reported in this announcement.

Criteria	JORC Code Explanation	Commentary
	The total length and percentage of the relevant intersections logged	
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled	No drilling is being reported in this announcement.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established	No drilling is being reported in this announcement.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data	The VTEM and Aeromagnetic data was reprocessed by Resource Potentials an independent Geophysical Service provider with extensive experience in the Pilbara area.
Location of data points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control.	The MGA94 UTM zone 51 coordinate system was used for all undertakings.
Data spacing and distribution	Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the	The VTEM survey was flown N-S at 200m line spacing. The Aeromagnetic survey was flown N-S at 50m line spacing

Criteria	JORC Code Explanation	Commentary
	Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied.	
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material	The airborne surveys were flown N-S which is orthogonal to the general E-W lithological and structural trends.
Sample security	The measures taken to ensure sample security.	No sampling reported in this announcement
Audits or reviews	The results of any audits or reviews of sampling techniques and data	No drilling is being reported in this announcement.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	Exploration Licence Application E47/4352 is progressing through Access and Heritage negotiations. The licence application is held 100% by Western Exploration Pty Ltd.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties	The most notable exploration undertaken within the tenement area was by Fox Resources/Artemis resources. This included an airborne EM survey (VTEM) from which numerous conductor targets were identified.
Geology	Deposit type, geological setting and style of mineralisation.	The Project tenement is situated within the northwestern portion of the Pilbara Craton and covers granite-greenstone terrane lithologies hosted within the 3280-3066 Ma West Pilbara Super-Terrane (WPST). Locally, the Project tenement is bisected by the major regionally extensive, long-lived and multiply-reactivated Sholl Shear Zone (SSZ), which trends east-west through the centre of the Andover tenement and constitutes a wide deformation zone of about 1km wide that separates major terranes and super-basins. The 3280-3263Ma Karratha Terrane located on the north side of the SSZ is dominated by the Harding Granitic

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		Complex, comprised of the Maitland River and Orpheus Supersuites, which are for the most part masked by Mesozoic sediments and Tertiary colluvial and alluvial deposits. Of economic interest is the ca 3016Ma Andover Intrusive Complex of the Orpheus Supersuite, which outcrops in the northwestern corner of the tenement, and which has recently been identified to contain nickel sulphide mineralisation (Azure Minerals Ltd ASX announcement 12th October 2020). The mafic volcanic intrusions within the tenement are considered prospective for Andover style Ni-Cu-Co magmatic sulphide mineralisation
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level –elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case	No drilling is being reported in this announcement.
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	No drilling is being reported in this announcement.
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	No drilling is being reported in this announcement.

Criteria	JORC Code Explanation	Commentary
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views	Refer to figures and tables in the body of the ASX release.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results	The exploration results reported fall within the range of geophysical responses that can be representative of the mineralisation styles being sought.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	The following airborne geophysical surveys pertinent to the project area have been reviewed - Mt Oscar. SGC. mag/rad/dem, 200m line spacing, N-S orientation 60m ht - Pilbara 2019 NW, GSWA, gravity/dem, 2,500 line spacing, E-W orientation In 2017 soil sampling was completed over gold prospects that had been highlighted from historic BLEG sample results. A total 308 soil samples were collected at a 100m x 25m spacing from the White Quartz Hill, Landau and Fairmont prospects all located on the southern portion of the project tenement. The samples were subject to multi element analysis including gold. Samples were processed by Intertek Genanalysis Laboratory. A number of anomalous gold results were reported. There was no follow-up of these results.
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Further work is planned as stated in this announcement

The information in this announcement that relates to exploration results at the AndoverWest Project is based on information compiled by Thomas Reddicliffe, a Competent Person who is a Fellow of the AusIMM (211186). Mr Reddicliffe is a consultant to Errawarra Resources Ltd and has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which has been undertaken 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 (JORC Code). Mr Reddicliffe consents to the inclusion of the information relating to the AndoverWest Project in the form and context in which it appears.