ESSENTIALMETALS

for a sustainable future

19 July 2022

Multiple nickel sulphide intercepts from first drill programme at Blair – Golden Ridge JV

Nickel mineralisation intersected at all five targets with 6m @ 2.22% Ni and 2,514ppm Cu returned at the Blair South target

HIGHLIGHTS

- Initial 20-hole (3,429m) RC drilling program with accompanying down-hole electromagnetic (DHEM) surveys completed by Essential's Farm-in/JV partner, ANCO[1].
- Five targets identified by ANCO were drilled and include Blair South, N10C, Blair Footwall, Elias and Reeve.

- Significant nickel assays were received from all five targets, with best results including:
  - **25m @ 0.80% Ni** and 994ppm Cu (**includes 6m @ 2.22% Ni** and 2514ppm Cu) from 119m (Blair South) (ANRC017)
  - **28m @ 0.60% Ni** and 911ppm Cu (**includes 4m @ 1.41% Ni** and 1050ppm Cu) from 113m (Blair South) (ANRC019)
  - **11m @ 0.42% Ni** and 470ppm Cu from 32m and **4m @ 0.65% Ni** and 215ppm Cu (including 1m @ 1.56% Ni and 71ppm Cu) from 104m (Blair Footwall) (ANRC002)
  - **4m @ 0.60% Ni** and 315ppm Cu from 140m (N10C Target) (ANRC005)
  - **2m @ 0.50% Ni** and 150ppm Cu from 219m (N10C Target) and **3m @ 0.51% Ni** and 201ppm Cu from 227m (N10C Target) (ANRC010)
  - **2m @ 0.43% Ni** and 122ppm Cu from 107m (Elias) (ANRC014)

- The next phase of work planned at Blair South will include re-assaying of historical samples (where available) for platinum group elements within the mineralised envelope.

Essential Metals Managing Director, Tim Spencer, said: *"The success of the first drill programme conducted by our JV partner ANCO is testament to the rigorous review and analysis they have undertaken since the commencement of the Farm-in/JV, which involved working through vast datasets accumulated over several decades. Intersecting significant nickel mineralisation at all five targets bodes well for the future exploration and we look forward to ANCO's next exploration programmes being implemented."*

[1] ANCO – Australian Nickel Company Limited

ASX Code: ESS

Corporate Profile

Shares on issue: 246,487,425
Listed options: 20,720,729
($0.15 exercise: 30/11/22 expiry)

Cash: $11m (31 May 2022)
Debt: Nil

KEY PROJECTS

LITHIUM Pioneer Dome
GOLD Golden Ridge
GOLD Juglah Dome

Joint Ventures (ESS %)

2x nickel projects (20-25%)*
4x 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
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BLAIR – GOLDEN RIDGE NICKEL FARM-IN & JOINT VENTURE

The Golden Ridge Project is located approximately 30km by sealed road to the south east of Kalgoorlie-Boulder and hosts the historical Blair Nickel Mine, which produced a total of 1.2 Mt@ 2.63% Ni between 1989 and 2009. The consolidated 113km^2 project area is considered highly prospective for the discovery of new high-grade komatiite-hosted nickel deposits (Kambalda style).

The Golden Ridge Project is currently being managed by highly experienced nickel explorers and developers Australian Nickel Company Limited ("ANCO") through a Farm-In Joint Venture Agreement with Essential Metals Limited ("ESS"). ANCO has the right to earn a 75% interest in the nickel and related commodities rights by spending $4.0 million over 4 years, with ESS retaining a 25% free-carried interest to a decision to mine.

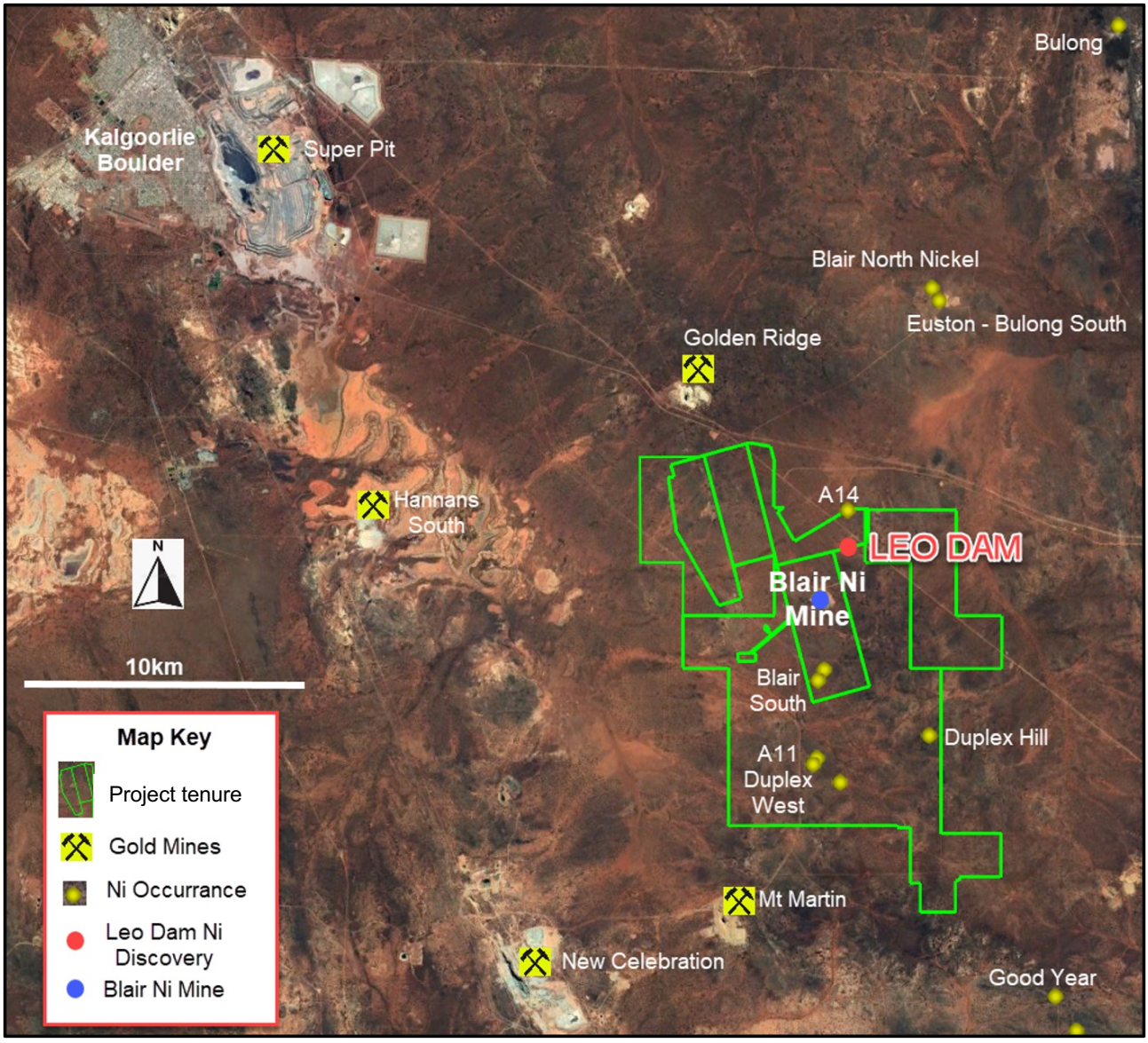

Figure 1: Location map of the Golden Ridge Nickel Project.

REVERSE CIRCULATION DRILL PROGRAMME

An initial 20-hole (3,429m) Reverse Circulation (RC) drilling program with accompanying down-hole electromagnetic (DHEM) surveys has been completed across five targets.

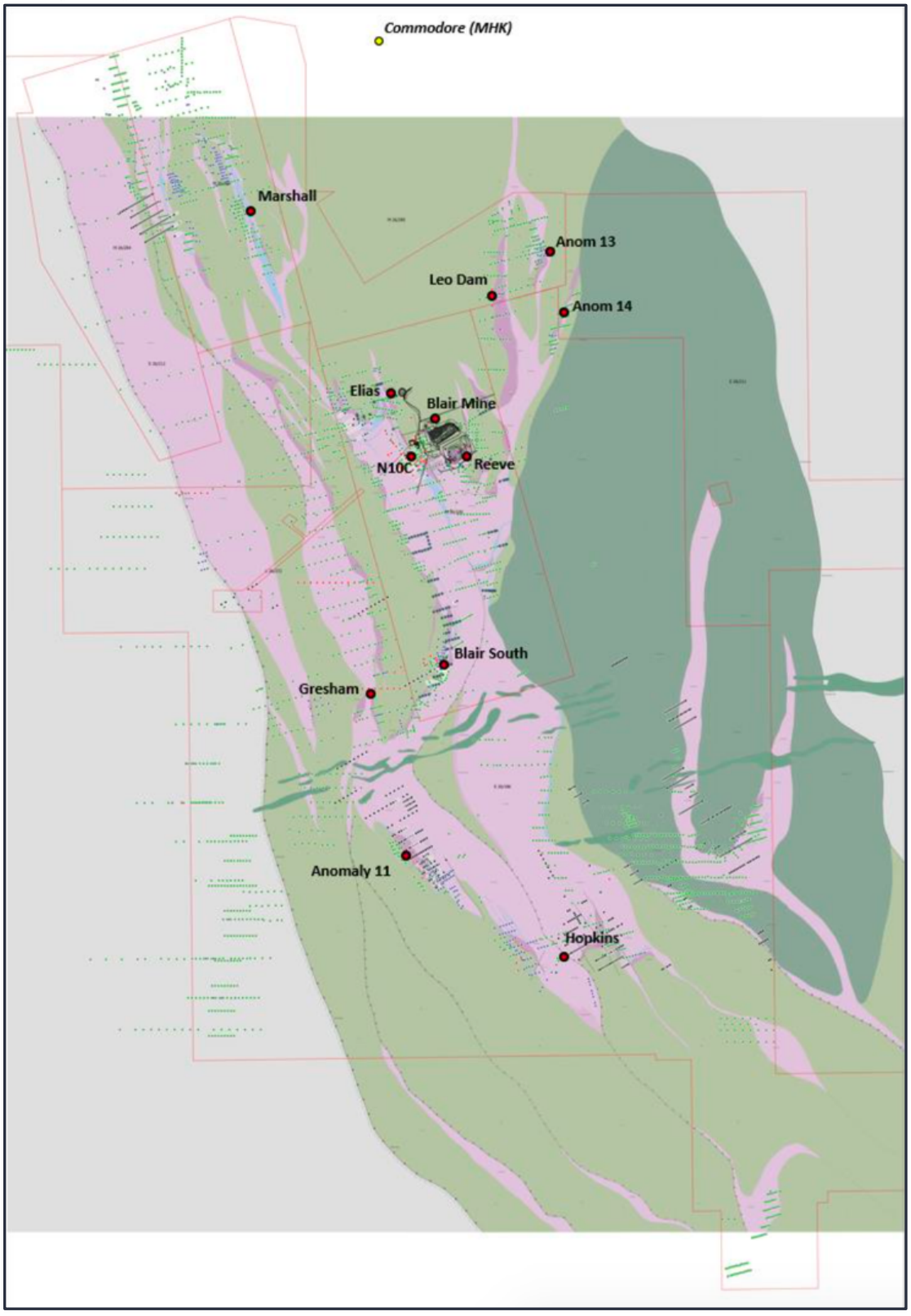

Figure 2: Regional Geology, Tenure and Prospect Location Plan.

Summary details of the drill programme are provided below.

Blair South

The Blair South Prospect is located approximately 3km south of the closed Blair Nickel Mine and is considered highly prospective for both high-grade (+2.5% Ni) and larger scale disseminated mineralisation (+0.6% Ni).

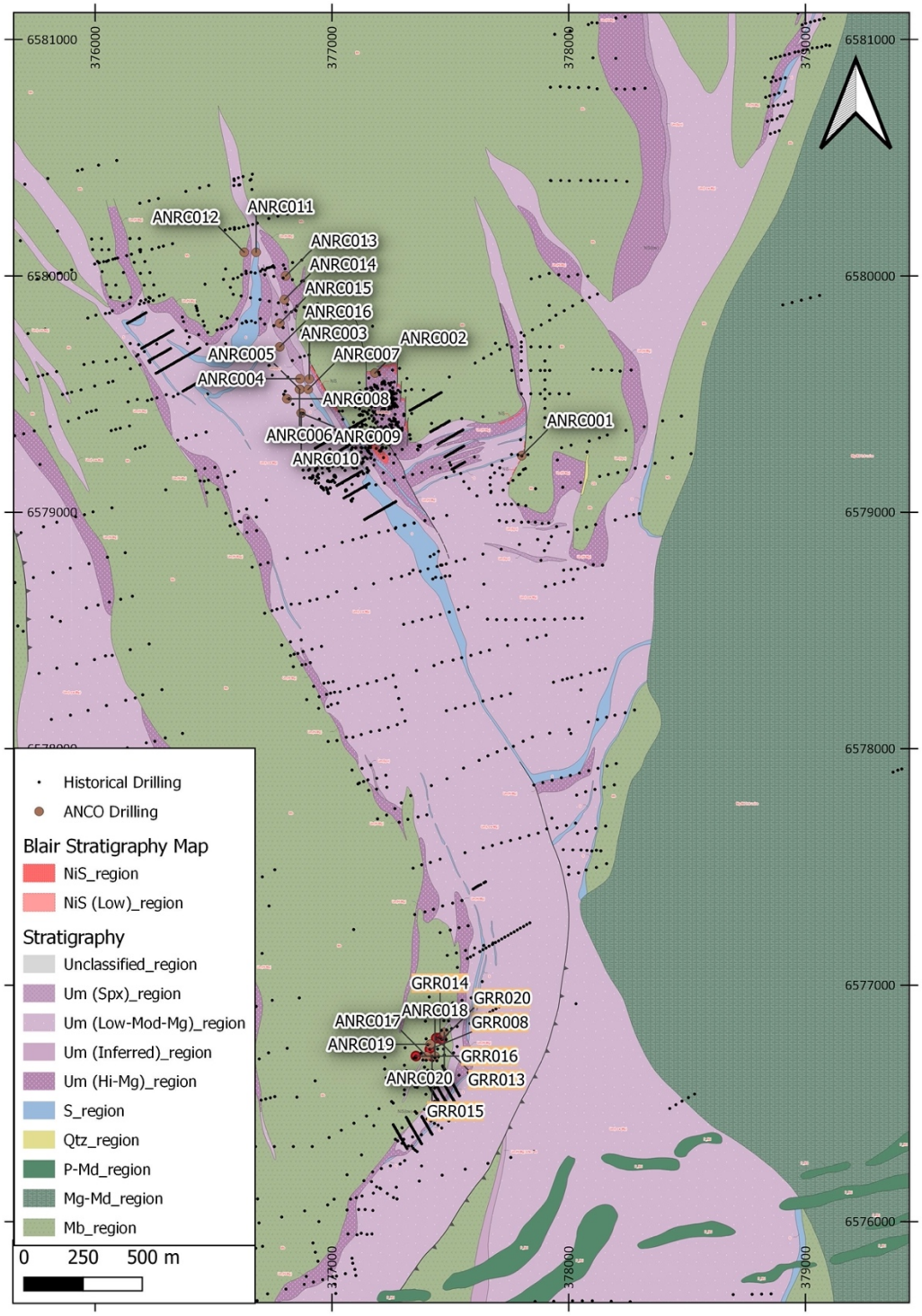

Figure 3: Blair to South Blair Geology and Drill Collar Plan.

A total of four drill holes (totalling 531 metres) were completed at Blair South to in-fill and extend a significant zone of relatively shallow, disseminated nickel sulphides.

The information from this drilling will be used as the basis for updating a historical resource and provide important information on the platinum group element (PGE) association with the nickel mineralisation.

Results from this drilling are detailed in Table 3. Better intersections include:

- **25m @ 0.80% Ni** and 994ppm Cu (includes **6m @ 2.22% Ni and 2,514ppm Cu**) from 119m (ANRC017)
- **15m @ 0.31% Ni** and 242ppm Cu from 113m (ANRC018)
- **28m @ 0.60% Ni** and 911ppm Cu (includes **4m @ 1.41% Ni and 1,050ppm Cu**) from 113m (ANRC019)
- **18m @ 0.32% Ni** and 260ppm Cu from 78m (ANRC020)

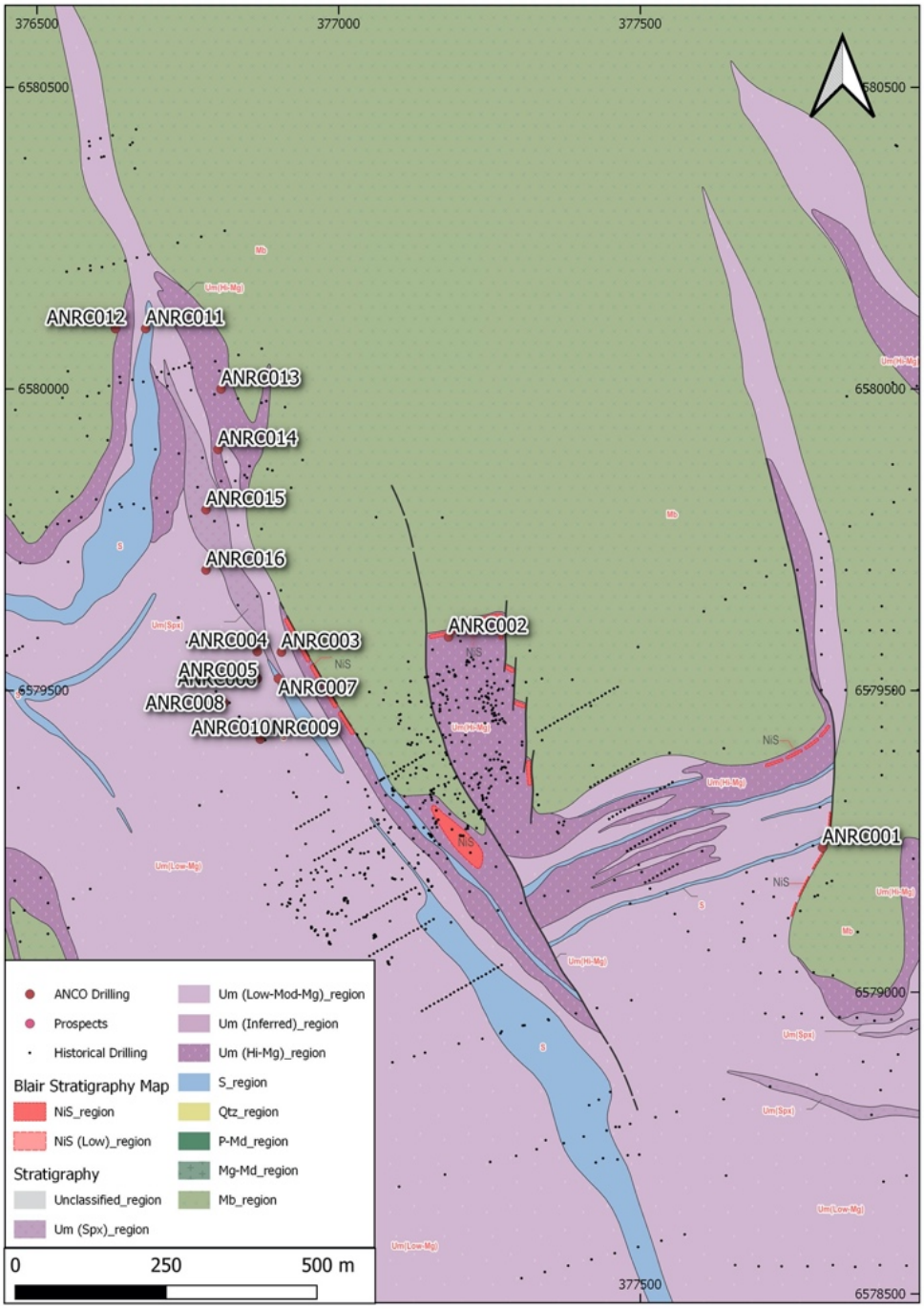

Figure 4: Blair Near Mine Geology and Drill Collar Plan.

These results compliment a series of significant results returned from previous programs of drilling carried out by Essential Metals in 2006 which include:

- **23m @ 0.98% Ni** and 886ppm Cu (includes 16m @ 1.27% Ni and 1196ppm Cu) from 99m (GRR015)[2]
- **39m @ 0.68% Ni** and 975ppm Cu (includes 15m @ 1.21% Ni and 1308ppm Cu) from 98m (GRR008)[2]
- **30m @ 0.46% Ni** and 405ppm Cu (includes 2m @ 1.65% Ni and 1793ppm Cu) from 203m (GRR016)[2]
- **15m @ 0.87% Ni** and 714ppm Cu (includes 9m @ 1.27% Ni and 1088ppm Cu) from 86m (GRR014)[2]
- **7m @ 1.22% Ni** and 1325ppm Cu from 63m (GRR020)[3]
- **9m @ 0.60% Ni** and 734ppm Cu (includes 4m @ 1.01% Ni and 1088ppm Cu) from 106m (GRR013)[2]

The next phase of planned work at Blair South will include re-assaying historical samples (where available) for platinum group elements (PGEs) within the mineralised envelope, assessing the mineralised intersections on a nickel % equivalent basis and a program of targeted RC drilling along strike to the south.

Interpretation of a recent DHEM survey (ANCO017) is currently being integrated with historical down-hole and surface electromagnetic surveys.

N10C Target

The N10C target is located to the immediate west of the historical Blair Nickel Mine on what is interpreted to be a fault off-set of the basal contact that hosts the Blair nickel mineralisation. This position comes within 300m of the Blair Mine underground infrastructure, where historical wide-spaced drilling has intersected nickel sulphides over a wide area.

An 8-hole RC program (1,523m) was completed aimed at testing for any plunge control on the mineralised shoots and to clarify the stratigraphic and structural controls on the mineralisation. DHEM surveys were successfully completed on each of the cased holes.

Significant results from this drilling are detailed in Table 3 and include:

- **4.0m @ 0.60% Ni** and 315 ppm Cu from 140m – disseminated & massive sulphide stringers on basal contact (ANRC005)
- **1.0m @ 0.30% Ni** and 371ppm Cu from 125m – massive sulphide stringer within footwall pinch out (ANRC007)
- **2.0m @ 0.51% Ni** and 150ppm Cu from 219m – off-contact disseminated sulphides AND **3.0m @ 0.51% Ni** and 201ppm Ni from 226m - disseminated & massive sulphide stringers on basal contact (ANRC010)

The remaining holes did not return significant assay results, however they have provided important information on the surrounding geology and prospectivity.

[2] Refer ASX announcement dated 24 May 2006 “Drilling intersects wide nickel sulphide zone at Blair South”
[3] Refer ASX announcement dated 20 December 2006 “Drilling extends Blair South mineralisation”

The key findings from this program are:

- The intersections in the historical drilling are now interpreted to be in a flanking position and have been affected by faulting. Potential remains for zones of significant mineralisation along this contact given that the drilling is wide-spaced.
- There are indications that the edge of a flat-lying "terrace" structure has been identified that contains thickened high-MgO basal flow ultramafic rocks with nickel mineralisation on the basal contact. This interpreted structural feature remains untested along strike to the north and south.

The next phase of work at the N10C target will include the integration of the recently captured DHEM data with all historical down-hole and surface electromagnetic surveys, and follow-up RC drilling to confirm the existence of the terrace structure.

Blair Footwall

An opportunity was identified in historical data to test for remobilised nickel sulphides into the footwall of the Blair nickel deposit along two north-south trending faults. Hole ANRC002 (163m) was drilled as a reconnaissance test and to provide a platform for a DHEM survey.

The hole successfully intersected two zones of highly anomalous oxide nickel mineralisation:

- **11m @ 0.42% Ni** and 470ppm Cu from 32m (West Fault) AND **4m @ 0.65% Ni** and 215ppm Cu (includes 1m @ 1.56% Ni and 71ppm Cu) from 104m (East Fault) (ANRC002)

These results provide strong encouragement that the concept of structurally remobilised sulphides into footwall positions is valid. These structural trends remain untested along strike to the north and throughout the entire plunge of the previously mined Blair Nickel Deposit.

The next phase of work at the Blair Footwall target will include integration of the recently captured DHEM data with all historical down-hole and surface electromagnetic surveys and assessment of surface geochemistry along these trends. Future drilling will be based on the outcomes of this work.

Elias Target

The Elias target represents the largely untested northern strike extension from the N10C target. Historical shallow RAB drilling indicates the presence of high-MgO channel facies ultramafic rocks, although the basal contact was not intersected.

A 6-hole RC drilling program (984m) was drilled over a 500m strike length aimed at providing a definitive test to confirm the presence of prospective channel facies ultramafic rocks with the potential to host nickel sulphides and to create a series of platforms for DHEM surveys.

Significant results from this drilling are detailed in Table 3 and include

- **39m @ 0.32% Ni** (low Cu) from 14m – containing thick high MgO basal flow with favourable Ni:Cr signature (ANRC013)
- **2m @ 0.43% Ni** and 122ppm Cu from 107m – containing disseminated & massive sulphide stringers on a basal contact at the base of thick high MgO basal flow with a favourable Ni:Cr signature (ANRC014)

The presence of thick high MgO ultramafic rocks with a favourable Ni:Cr signature over a strike length of at least 300m demonstrates that a substantial channel is present at the Elias target. The presence of disseminated and stringer massive sulphides on the basal contact further confirms the prospectivity of this position.

The next phase of work at the Elias target will include integration of the recently captured DHEM data with historical surface electromagnetic survey data. Additional drilling will be planned and integrated into the overall project priorities.

Reeve Target

The Reeve target is located approximately 500m west of the historical Blair Nickel Mine. The position was targeted on the basis of the presence of anomalous results in historical drilling and the identification of the basal high MgO ultramafic rocks suite with a favourable Ni:Cr signature.

A single hole (ANRC001) was completed to a depth of 228m intersecting a complex of intercalated sediment-ultramafic rocks that have been highly altered to a quartz-carbonate-sulphide rock. This rock succession demonstrates that a large-scale fault is located in this position and that this drill hole has most likely drilled down the structure.

Within this complex, an intersection of 6m @ 0.36% Ni and 112ppm Cu from 187m was returned in hole ANRC001. This result demonstrates that the target remains prospective away from the fault structure and additional drill testing is justified and will be undertaken in the next program of RC drilling at the Golden Ridge Project.

Future Work Programs

The next phase of work at the Blair – Golden Ridge Nickel Project will include:

- Air-core drilling at the Leo Dam Prospect – scheduled for August 2022
- RC drilling at Blair South, Blair mine and Gresham – scheduled for September 2022
- Air-core drilling at the Gresham Prospect – scheduled for October 2022.
- Ongoing integration of all geophysical datasets.
- Data assessment and targeting – Marshall, Hopkins and regional.

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

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ABOUT ESSENTIAL METALS LIMITED

Essential Metals is a well-funded and active explorer focussed on the discovery of key global demand-driven commodities, for 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 (Li_2O).[4]
- **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:

- **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), who will 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 Australian Nickel Company Ltd, 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 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

[4] Refer to ASX announcement dated 29 September 2020 "Dome North Lithium Project – Resource Upgrade"

looking statements if these beliefs, opinions, and estimates should change or to reflect other future developments.

Reference to previous market announcements

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The company confirms that the form and context in which Exploration Results or Competent Person's findings are presented have not been materially modified from the original market announcements.

Competent Person Statement

The information in this announcement which relates to exploration targets, exploration results or mineral resources is based on information compiled by Mr. Peter Langworthy. Mr. Langworthy has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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' (the JORC Code). Mr. Langworthy is Managing Director and Principal Consultant of OMNI GeoX Pty Ltd. And a Director of the Australian Nickel Company Limited Mr. Langworthy consents to the inclusion of the information in this announcement in the form and context in which it appears.

Appendix A – Drill hole data & Significant intersections

Table 1 – Drill collar data from current drilling reported in this announcement

Prospect	Hole No	Northing	Easting	RL	Dip	Azimuth	Hole Depth	DHEM survey
Reeve	ANRC001	6,579,240	377,802	365	-57	360	228	No
Blair Footwall	ANRC002	6,579,580	377,180	365	-60	090	163	Yes
N10C	ANRC003	6,579,580	376,905	365	-60	085	107	No
	ANRC004	6,579,580	376,865	365	-60	085	157	Yes
	ANRC005	6,579,520	376,865	365	-60	090	159	No
	ANRC006	6,579,520	376,865	365	-68	090	189	Yes
	ANRC007	6,579,520	376,900	365	-60	090	129	Yes
	ANRC008	6,579,480	376,810	365	-65	090	274	Yes
Elias	ANRC009	6,579,420	376,870	365	-64	085	239	Yes
	ANRC010	6,579,420	376,870	365	-75	085	269	Yes
	ANRC011	6,580,100	376,680	365	-60	090	79	No
	ANRC012	6,580,100	376,630	365	-60	090	159	Yes
	ANRC013	6,580,000	376,805	365	-60	090	209	Yes
	ANRC014	6,579,900	376,800	365	-60	090	159	Yes
	ANRC015	6,579,800	376,780	365	-60	090	179	Yes
	ANRC016	6,579,700	376,780	365	-55	085	199	Yes
Blair South	ANRC017	6,576,700	377,400	365	-57	090	164	Yes
	ANRC018	6,576,700	377,435	365	-62	090	119	No
	ANRC019	6,576,750	377,415	365	-57	090	149	No
	ANRC020	6,576,800	377,475	365	-60	090	99	No

Table 2 – Drill collar data from historical drilling reported in this announcement

Prospect	Hole No	Northing	Easting	RL	Dip	Azimuth	Hole Depth	DHEM survey
Blair South	GRR008	6,526,729	377,414	365	-55	085	120	No
	GRR013	6,576,776	377,441	365	-63	095	155	No
	GRR014	6,576,777	377,457	365	-65	100	145	No
	GRR015	6,576,699	377,423	365	-63	090	175	No
	GRR016	6,576,700	377,355	365	-60	085	120	No
	GRR020	6,576,770	377,465	365	-60	090	110	No

Table 3 – Significant intersections – current drilling reported in this announcement

Prospect	Hole No	From	To	Interval	Ni (%)	Cu (ppm)	Comments
Reeve	ANRC001	187	193	6	0.32	112	Altered shear zone
Blair Footwall	ANRC002	32	43	11	0.42	470	Oxide – west fault contact
		104	108	4	0.65	215	Oxide – east fault contact
N10C	ANRC003						NSA – basal contact not tested
	ANRC004						NSA – prospective basal flow
	ANRC005	140	144	4	0.60	315	Disseminated & stringer sulphides on basal contact
	ANRC006						NSA – prospective basal flow
	ANRC007	125	126	1	0.30	371	Massive sulphide stringer within footwall "pinchout"
	ANRC008						NSA- faulted contact / no basal flow present
Elias	ANRC009						NSA – prospective basal flow
	ANRC010	219	221	2	0.51	150	Off-contact disseminated sulphides
		226	229	3	0.51	201	Disseminated & stringer sulphides on basal contact
	ANRC011						NSA – flanking environment
	ANRC012						NSA – flanking environment

Prospect	Hole No	From	To	Interval	Ni (%)	Cu (ppm)	Comments
	ANRC013	14	53	39	0.32	70	Oxide - Prospective basal flow
	ANRC014	107	109	2	0.43	122	Disseminated & stringer sulphides on basal contact
	ANRC015						NSA – prospective basal flow
	ANRC016						NSA – prospective basal flow
Blair South	ANRC017	119	144	25	0.80	994	
		(Includes)		6	2.22	2514	
	ANRC018	113	128	15	0.31	242	
	ANRC019	113		28	0.60	911	
		(Includes)		4	1.41	1050	
	ANRC020	78	96	18	0.32	260	

Table 4 – Significant intersections – historical drilling reported in this announcement

Prospect	Hole No	From	To	Interval	Ni (%)	Cu (ppm)	Comments
Blair South	GRR015	99	122	23	0.98	886	
		(Includes)		16	1.27	1196	
	GRR008	98	137	39	0.68	975	
		(Includes)		15	1.21	1308	
	GRR020	63	70	7	1.22	1325	
	GRR014	86	101	15	0.87	714	
		(Includes)		9	1.27	1088	
	GRR013	106	115	9	0.60	465	
		(Includes)		4	0.97	846	
	GRR016	203	233	30	0.46	405	
		(Includes)		2	1.65	1793	

Appendix B

JORC Code 2012 Table 1 Section 1 – Diamond Drill Hole Sampling Techniques and data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling Techniques	• *Nature and quality of sampling (eg 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 (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.*	The results are based on data collected predominately from current and previous reverse circulation (RC) and previous diamond core (DD) drill holes. Recent RC drilling ANCO001-020 were completed by Australian Nickel Company Limited (CRL) in 2022. GRR sequence holes were completed by Essential Metals in the period 2006 – 2007. Diamond drilling was undertaken by WMC resources in the late-1980's. Sampling was performed at a uniform 1m interval in RC and predominately 1m (or less) in DD. Sampling was only undertaken on key targeted contacts as the targeted style of nickel mineralisation is visual. Sampling techniques performed are of an industry standard and were conducted or supervised by qualified geological personnel. Reverse circulation drilling produced samples that were collected at one-metre intervals using a cone splitter to produce an approximate three-kilogram sample, which is considered representative of the full drill metre. Information specifically relating to the historical diamond core is not available however inspection of core demonstrates HQ core in good condition. Produced samples were cut into ½ core; one side of ½ core then being cut to produce two sections of ¼ core. The ¼ core was sampled to produce an approximate 2 kilogram sample, which is considered representative of the full drill metre.
Drilling Techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).*	The results are based on data collected predominately from current and previous reverse circulation (RC) and previous diamond core (DD) drill holes. Recent RC drilling ANCO001-020 were completed by Australian Nickel Company Limited (CRL) in 2022 using Challenge Drilling as contractor. The drill rig was a KWL350 with an onboard 1100/350 Compressor and a truck mounted Atlas Copco 1000 cfm auxiliary Hurricane 240 cfm 1000psi booster, with a depth capacity rated to 450m. GRR sequence holes were completed by Essential Metals in the period 2006 – 2007. No details are available in regards the specific drill rig utilised at the time. Information specifically relating to the historical diamond core is not available however inspection of core demonstrates HQ core in good condition.
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*	RC and AC recoveries were considered good, with available air for drill sample recovery being deemed adequate for the ground conditions and depth of sampling undertaken. Check weighing of samples was undertaken on each RC hole.

Criteria	JORC Code explanation	Commentary
	may have occurred due to preferential loss/gain of fine/coarse material.	Inspection of historical DD core demonstrates that recoveries were good in fresh and moderately weathered material. Near surface oxide was not recovered for sampling.
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.* • *The total length and percentage of the relevant intersections logged.*	Geological logging of the drill chips and core were recorded by a geologist for all holes and included description of lithology, mineralogy, veining, alteration, structure, grainsize, texture, weathering, oxidation, colour and other features of the samples. Logging of RC is considered to be semi- quantitative, given the nature of rock chip fragments, whilst logging of DD is considered quantitative in nature. All drill holes were logged in their entirety (100%) and this logging is considered reliable and appropriate for the mineral resource estimate study undertaken. Geotechnical logging has not been undertaken on the historical diamond holes.
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.*	All RC one-metre sub-samples from drill holes were collected from a static cone, to produce an ~10% routine split sample for analysis. Diamond core one-metre (or smaller) samples were collected by diamond core quartering in competent material, or diamond core halving in broken or friable material. Quality Control and Quality Assurance (QAQC) procedures implemented to check sampling and assaying precision included duplicate samples (predominately using the same sub-sampling method) and pulp repeats. Sampling quality was also monitored using sample pulp sizing data and internal laboratory blanks. Review of this QAQC data has revealed that sample repeatability is acceptable and the performance of blanks is very good and sample preparation (pulverisation) is acceptable. All samples were weighed on arrival at ALS laboratories Perth and the weights recorded along with analytical results. Routine sample preparation included drying, total sample pulverisation (nominal 90% passing -75µm) and splitting to prepare a pulp of approximately 200 grams. The sample sizes are considered to be appropriate to adequately represent the mineralisation style under investigation.
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 (eg standards, blanks, duplicates, external*	ALS laboratories performed analysis on samples on all routine and related QAQC samples using the ME-ICP61 method with an OG62 analysis on samples which returned an analysis of >1%Ni. In addition to the QAQC procedures mentioned above relating to sampling precision and quality, assaying accuracy was monitored using Certified Reference Materials (CRM) submitted by ANCO with each sample batch at an insertion rate of ~1:50 and the additional use of internal CRMs by the primary laboratory (ALS). To test for the field collection precision, field duplicates were

Criteria	JORC Code explanation	Commentary
	laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	collected in the field at the same time as the primary sample and inserted into the sample string. To check for lab contamination blanks were also inserted into the sample string. These QC samples were inserted at a rate of 1:50 alternating with the CRM samples. A review of all CRM samples has revealed that ALS internal quality control procedures were satisfactory and that an acceptable level of accuracy has been achieved.
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.*	No verification work has been conducted to date and no independent or alternative company has been engaged to verify results. A tailored structured database was devised for the storage of all digital drilling information. The database features a hierarchical database structure and procedures and data validation features designed to collate and maintain the integrity of all drill data. No adjustment has been made to assay data.
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.*	All drill hole sites have been located using a Garmin 64S unit The recorded locations used the MGA94 Zone 51 datum. All RC drill holes were downhole surveyed using a north seeking gyro.
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 Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	The data spacing is considered appropriate for the reconnaissance exploration nature of the results reported. N/A N/A
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.*	All intersections are reported as down hole intervals. Drilling was planned to intersect the target zones as close to normal as possible. At this stage of drill testing the orientation of the drilling is not expected to introduce sampling bias. Most drill holes have intersected the mineralisation at a sufficient angle to the strike and dip of the mineralised units.
Sample security	• *The measures taken to ensure sample security.*	All samples were collected in calico sample bags with sample number identification on the bag. Bags were then checked against field manifests and loaded into plastic bags for transportation to ALS sample preparation in Kalgoorlie WA (transported by ANCO staff). Bags were checked on receipt by ALS and any discrepancies relative to the field manifest addressed/resolved.

Criteria	JORC Code explanation	Commentary
		Security over sample dispatch is considered adequate for these samples at this time.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	No external audits or reviews have yet been conducted to date.

Section 2 - Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

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.*	Mining Lease M26/220 is current and 100% owned by Essential Metals Limited. ANCO is currently managing the project under a Farm-in Joint Venture Agreement that has ANCO earning a 75% interest in the nickel and associated mineral rights. There are no noted impediments to actively undertaking exploration and resource evaluation activities on the tenement or wider project.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	A significant amount of exploration has been undertaken across the project over a +30 year history. This work has been largely completed by WMC Resources, Australian Mines, Essential Metals (previously Pioneer Resources) and ANCO. Historical data has been reviewed, audited and re-compiled by OMNI GeoX over an 18-month process and is considered to meet the requirements under the JORC Code 2012 and Valmin 2015 requirements.
Geology	• *Deposit type, geological setting and style of mineralisation.*	Archaean greenstone belt in the Eastern Goldfields of WA. Target type is komatiite hosted nickel-copper-PGE deposits. The closed Blair Mine has a pre-mined resource of 40,000 tonnes of contained nickel at an average grade of 2.6% Ni and is considered a typical "Kambalda-type" nickel deposit.
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*	Reported drilling has been tabulated within this report – See Table 1 and 2.

Criteria	JORC Code explanation	Commentary
	○ *elevation or RL (Reduced Level elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole o 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.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg 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 lo- 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.*	Reported intersections are based on an average of reverse circulation sample intervals. These intervals are uniformly 1 metre. No upper cuts are applied. Internal dilution of up to 1 metre has been incorporated in intersection calculations. No metal equivalents have been used in this report. The average grade is calculated as a width weighted average. SG weighting has not a been applied. A lower cut-off grade of approximately 0.25%Ni and 150ppm Cu was applied
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.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	Any intersections included in this report are downhole lengths. Drilling was planned to intersect the target zones as close to normal as possible. At this stage of drill testing the orientation of the drilling is not expected to introduce sampling bias. Most drill holes have intersected the mineralisation at a sufficient angle to the strike and dip of the mineralised units.
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.*	Relevant maps, diagrams and tabulations are included in the body of this report.
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 to avoid misleading reporting of Exploration Results.*	All relevant results have been reported in this announcement including where no significant mineralisation has been intersected.
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*	All material information, at least in summary, is included in this Report. DHEM surveys were completed in 13 of the 20 ANCO holes. Results of these surveys remain to be fully modelled and interpreted.

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	characteristics; potential deleterious or contaminating substances.	
Further work	• *The nature and scale of planned further work (eg 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.*	Infill, depth and strike extension drilling of the resource has being planned in some of the areas tested. A series of exploration targets have been identified and they will be systematically tested over time.