

Yinnetharra Lithium Project Acquisition

Red Dirt Metals Limited (ASX: RDT) ("Red Dirt" or the "Company") is pleased to announce the acquisition of Lithium explorer Electrostate Limited ("Electrostate"), being the 100% holder of the Yinnetharra Lithium Project (the "Project") in the central Gascoyne region of Western Australia.

Highlights include:

- The Yinnetharra Lithium Project contains a large 520km² tenement package in fertile Lithium-Caesium-Tantalum (LCT) bearing terrain
- Cumulative strike length of known outcropping pegmatites greater than 7km all located within the "Goldilocks zone" a distance of 0-5km from the main granitic intrusive
- Numerous untested walk-up drill targets based on geochemical anomalies and existing drill data
- Drilling to date has confirmed Spodumene mineralisation within Pegmatite intercepts including;
 - **16m @ 0.95% Li₂O** from 14m in GASRC004¹
 - **26m @ 0.95% Li₂O** from 0m in GASRC007¹
 - **23m @ 1.02% Li₂O** from 55m in GASRC0003¹
 - **18m @ 1.09% Li₂O** from 81m in MARC011²
 - **17m @ 0.95% Li₂O** from 77m in MARC010²
 - **36m at 0.71% Li₂O** from 87m in GASRC001¹
- The initial purchase consideration for Electrostate is **\$AUD15M** in RDT shares (summary attached)
- RDT has strong cash position of \$AUD19M as of 1 September 2022

¹ Previously announced drilling as per ASX announcement 9th October 2017 under Segue Resources Ltd: (SEG) and 15th November 2018 Arrow Minerals (AMD)

² Drillholes MARC010-and MARC011 were completed and assayed by Electrostate Limited (See JORC table 1)

Commenting on the acquisition Managing Director Matthew Boyes;

"The Yinnetharra Lithium Project represents an excellent early stage LCT bearing project with obvious scope and scale to deliver a very large-scale operation. This acquisition builds the Company's lithium portfolio and offers excellent growth potential and a future pipeline of projects which are complementary to our flagship Mt Ida Project. Mt Ida remains on track as our priority near-term project and is focused on accelerating a path towards production."

"When our team assessed the prospectivity of the Yinnetharra Project, we were attracted by the multiple pegmatite occurrences near surface and outcropping over an extensive area. This represents a compelling value-add proposition for the Company. Upon completion of this acquisition, the Company will fast track mobilisation and commencement of an initial drilling programme, aiming for commencement prior to the end of the calendar year."

The Yinnetharra Project

The Yinnetharra Project is located approximately 120km northeast of Gascoyne Junction. The Project sits within a tenement package comprised of 6 tenements, 3 granted tenements and 3 pending tenement applications covering an area of 520km². The tenement package is located on a highly prospective LCT bearing belt of metasediments forming a contact with a regional scale granite trending in a north westerly orientation for approximately 50km.

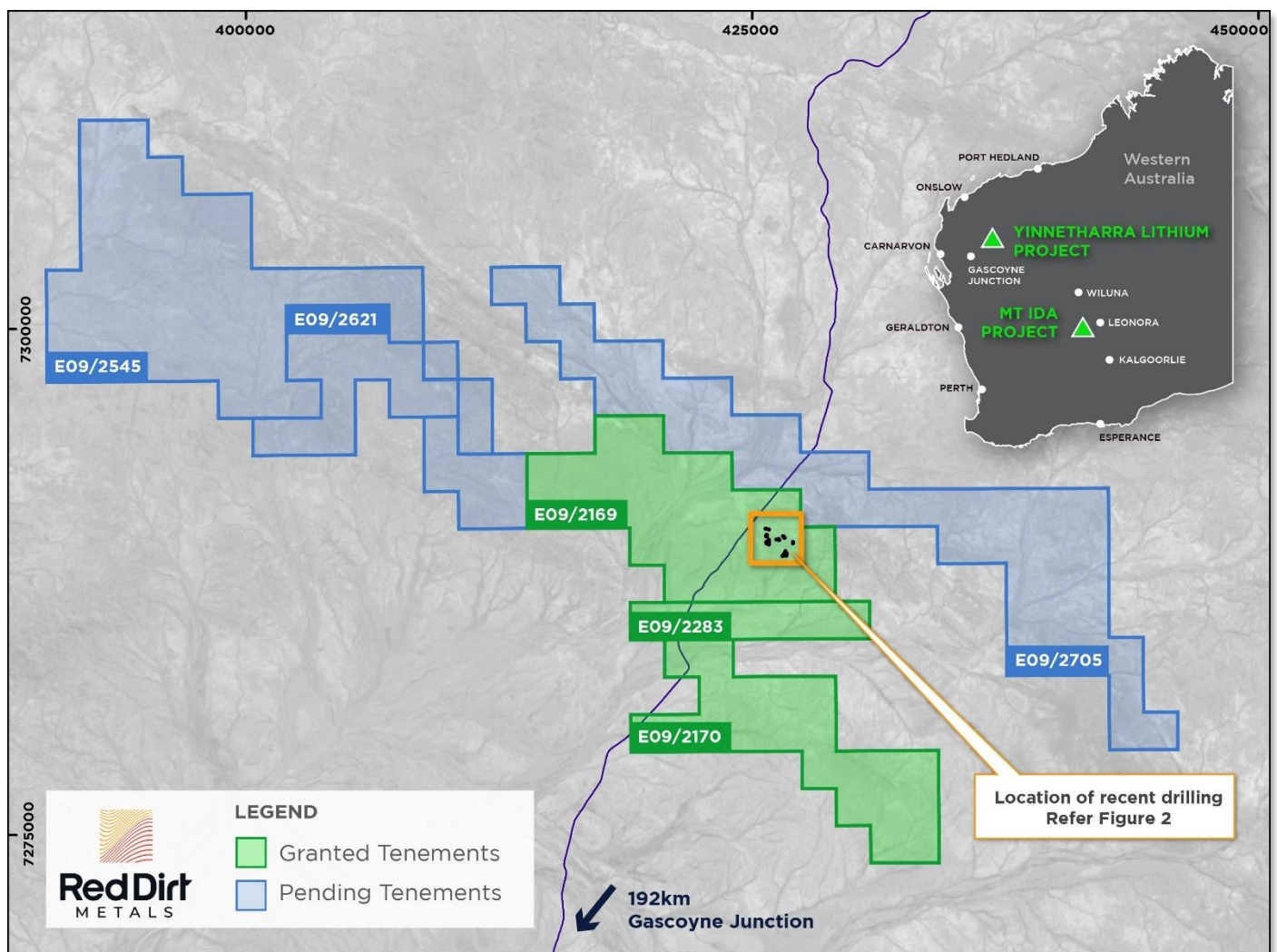


Figure 1: Tenement map showing acquired tenements and location northeast of Gascoyne Junction

The Project has seen a limited amount of exploration to date although the presence of multiple outcropping LCT bearing pegmatites has been confirmed with excellent grade and widths of spodumene bearing mineralisation intercepted. Significant intervals of near surface mineralisation have been drilled with lithium bearing pegmatites intersected from surface outcrop with little discernible depletion and leaching of lithium within the shallow weathering profile. Significant intervals to date include;

Hole_ID		From	To	Width (m)	Li ₂ O %	Ta ₂ O ₅ ppm
GASRC0001		87	123	36	0.71	57
GASRC0002		16	23	7	0.46	52
GASRC0003		105	108	3	0.38	26
	and	110	133	23	1.02	55
GASRC0004		0	1	1	0.75	76
	and	14	30	16	0.95	142
GASRC0007		0	26	26	0.95	59
GASRC0009		106	108	2	1.49	30
	and	121	126	5	0.39	97
GASRC0011		0	8	8	1.04	47
	and	15	20	5	1.04	67
GASRC0016		117	120	3	1.26	74
GASRC0017		23	24	1	0.63	106
	and	115	118	3	0.8	18
	and	132	157	25	0.58	77
MARC003		6	12	6	0.52	127

MARC009		97	98	1	0.31	68
		105	106	1	0.32	5
MARC010		71	72	1	0.49	24
	and	77	94	17	0.95	54
MARC011		81	99	18	1.09	41

Table 1: Table of significant historic and recent intervals from the Yinnetharra Lithium Project

A limited 4km² portion of the entire 520km² has been subject to systematic exploration. Significant outcropping spodumene bearing pegmatites have been delineated. The prospectivity of the tenement package is highlighted by existing soil and rock chip geochemistry in conjunction with previously drilled RC holes.

A coherent very high tenor soil anomaly has been defined (see Figure 2 below) with maximum soil sample results to 0.8% Li₂O, maximum reported rock chip samples up to 3.77% Li₂O. The soil anomaly is open with the edges of the current soil survey impacted by transported cover. To date, five mineralised pegmatites have been delineated with dimensions of at least 1,500m long, up to 36m wide, to a depth of at least 100m from surface. There is significant potential for further discoveries of LCT pegmatites at the project with only 34 RC drillholes completed to date. Further, the drillholes completed cover a limited area of the known pegmatite bodies tested as they have been concentrated in four areas.

The Company has submitted Programs of Works that are currently pending approval with the intention of exploring the known limits of the pegmatites and stepping out under areas of cover blind to the surface. Exploration will commence subject to access and permits being granted.

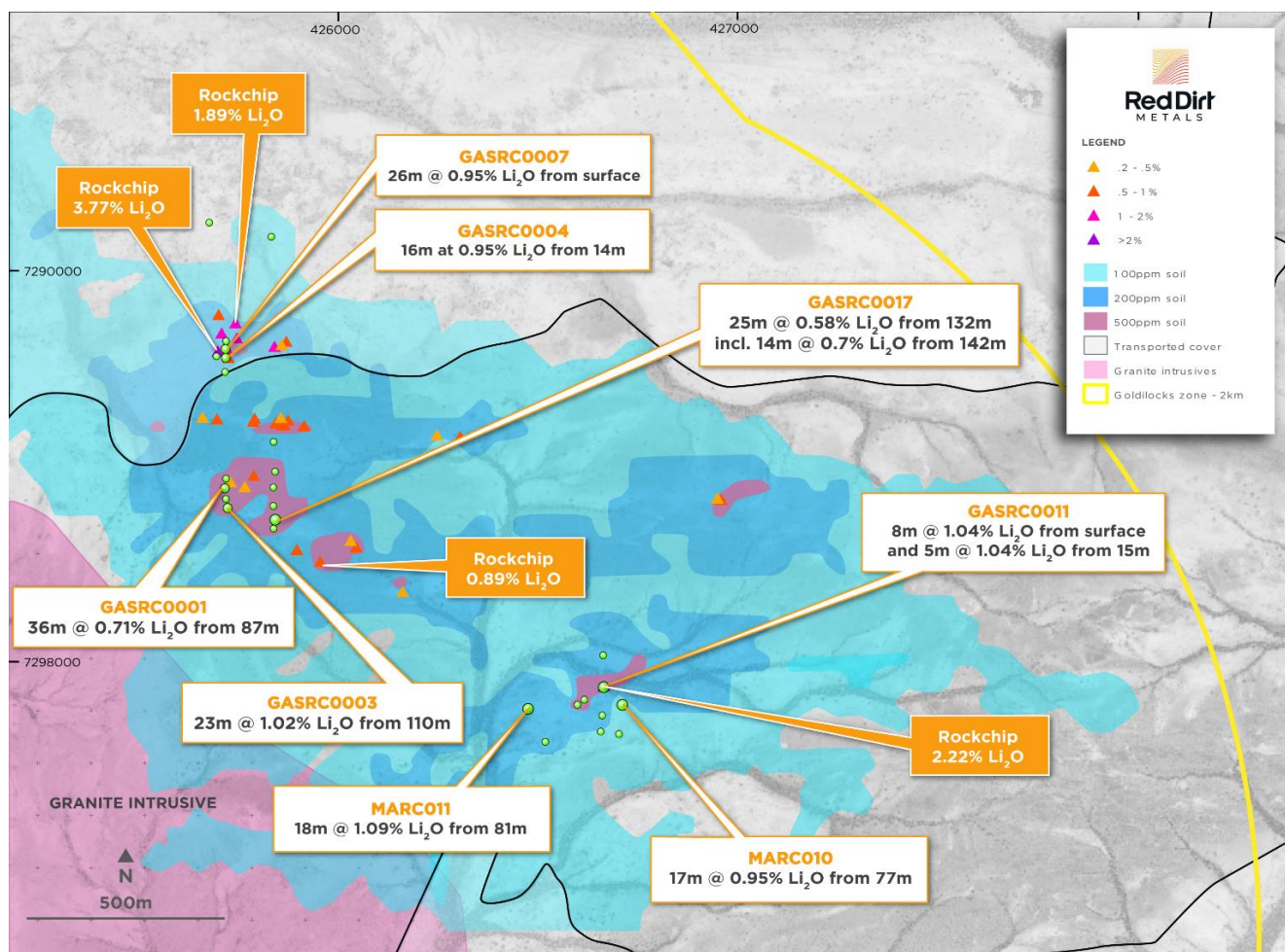


Figure 2: Contoured surface geochemical soil and rock chip Li₂O results with selected significant intervals from historical drilling, "Goldilocks zone" highlighted showing the preferred zone for LCT pegmatite emplacement

XRD Analysis

X-ray diffraction (XRD) analysis has been carried out on a suite of samples at Micoranalysis Australia, confirming the presence of spodumene as the prominent lithium bearing mineral. High contents of gangue quartz and albite were also identified. Initial analysis indicates the pegmatites represent a high purity LCT pegmatite with low reported iron contents. Further mineralogical characterisation and preliminary metallurgical work will be possible once RDT has collected the first samples of diamond core.

Sample	Spodumene (%)	Quartz (%)	Albite (%)	Muscovite (mica) (%)	Microcline K-rich feldspar (%)	Clinocllore (Chlorite) (%)	Eucryptite LiAlSiO_4 (%)	Hematite (%)	TOTAL (%)
GAL001	17	22	32	12	13	4			100
GAL002	8	22	47	19	4				100
GAL003	12	20	46	10	11	1			100
GAL004	0	22	46	27	3	2	1		100
GAL005	0	19	58	18	2	2	1		99
GAL006	0	15	61	16	3	3	1		99
GAL007	3	21	65	3	7		1		100
GAL008	14	21	53	5	7		tr		100
GAL009	11	21	37	24	6	1	tr		100
GAL010	13	18	51	11	4	1	1	1	100

Table 2: Semi-quantitative XRD analysis with mineral species estimated as (%) completed on samples from 0m to 10m downhole of hole GASRC011

Terms of the Agreement

As consideration for the acquisition of 100% of the issued share capital of Electrostate, Red Dirt has agreed to issue:

- \$AUD 15,000,000 worth of Red Dirt Shares at a deemed issue price of 56.7c per Red Dirt Share (the 15-day VWAP up to and including the day prior to the execution date) totalling 26,455,026 Red Dirt Shares (**Consideration Shares**); and
- \$AUD 10,000,000 worth of Red Dirt Shares at a deemed issue price equal to the 10-day VWAP up to and including the day prior to the date on which the Milestone is achieved, upon delineation of a JORC 2012 compliant resource in excess of 15 million tonnes @ 0.9% Li_2O or greater on the Project within four (4) years following settlement of the acquisition (**Milestone**) (**Deferred Consideration Shares**), subject to obtaining all necessary approvals, to the shareholders of Electrostate (or their nominees) based on their shareholding proportion in Electrostate as at the settlement date of the acquisition.

Subject to the satisfaction of the Milestone, Red Dirt may at its sole election elect to pay \$AUD 10,000,000 cash to the Electrostate shareholders in their shareholding proportion instead of issuing the Deferred Consideration Shares.

Half of the Consideration Shares to be issued the major shareholders of Electrostate (holding in aggregate approximately 67% of the shares in Electrostate) will be subject to a voluntary escrow period of six (6) months from the settlement date of the acquisition.

As part of the acquisition, the Company will also issue:

- 170,400 Red Dirt Options to Lithium Royalty Corp (Canada Incorporation Number 782 710 511); and
- 2,496,266 Red Dirt Options to Electrification and Decarbonization AIE LP (Company Number 754548709), each with an exercise price of \$0.75 per Red Dirt Option, expiring eighteen (18) months from the date of issue, to satisfy Electrostate's obligations under subscription agreements entered into with these entities.

The Consideration Shares and Red Dirt Options will be issued using the Company's existing 7.1 Placement capacity.

Red Dirt will also assume a 1% Net Smelter Royalty over the Electrostate project area.

The settlement of the Electrostate acquisition is subject to the receipt of all necessary approvals, and pending a technical and legal due diligence to be completed within 7 business days of the signing date of 12 September 2022.

Authorised for lodgement by the Board of the Company.

For further information, please contact

Red Dirt Metals Limited

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About Red Dirt Metals (RDT)

Red Dirt Metals (ASX: RDT) is an exploration and development company focused on bringing the high-quality, lithium-bearing pegmatite deposits located in Western Australia into production. RDT is rapidly advancing its Mt Ida Lithium project towards production with a well funded pathway outlined, and the advantage of holding existing mining leases and heritage clearance already approved.

To capitalise on the prevailing buoyant spodumene and lithium pricing, RDT recognises that a rapid development pathway will unlock the most value for shareholders. Beyond the Mt Ida Lithium Project, RDT will continue to assess opportunities to increase the lithium portfolio by identifying and adding new potential lithium acquisitions."

Competent Persons Statement

Exploration information in this Announcement is based upon work undertaken by Mr Matthew Boyes who is a Fellow of the Australasian Institute of Mining and Metallurgy (AUSIMM). Mr Boyes has sufficient experience that 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' (JORC Code). Mr Boyes is an employee of Red Dirt Metals Limited and consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this release that references previously reported exploration results is extracted from the Segue Resources (SEG) and Arrow Minerals ASX market announcements released on. The previous market announcements are available to view or on the ASX website (www.asx.com.au) dated 09/10/2017 (SEG) and 15/11/2018 (AMD) respectively. Drillholes with prefix MARC were completed by the current owner Electrostate Limited and not previously publicly released. 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. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Appendix 1 Drill hole collar file:

HoleID	MGA_East	MGA_North	MGA_RL	Dip	MGA_Azi	Depth
GASRC0001	425718	7289442	309	-90	0	144
GASRC0002	425719	7289464	328	-60	0	90
GASRC0003	425725	7289391	325	-60	355	144
GASRC0004	425716	7289773	315	-60	0	150
GASRC0005	425717	7289739	328	-60	0	150
GASRC0006	425719	7289818	319	-60	0	150
GASRC0007	425721	7289799	323	-60	179	72
GASRC0008	425838	7289443	303	-60	5	150
GASRC0009	425837	7289397	305	-62	2	150
GASRC0010	425842	7289483	328	-60	0	150
GASRC0011	426660	7288933	324	-60	0	150
GASRC0012	426661	7288860	329	-60	355	150
GASRC0013	426615	7288900	320	-60	356	150
GASRC0014	427018	7289402	320	-60	358	150
GASRC0015	427019	7289438	325	-60	358	150
GASRC0016	426657	7288821	326	-60	357	162
GASRC0017	425837	7289356	324	-60	10	168
MARC001	425695	7289780	327	-60	0	80
MARC002	425719	7289414	329	-60	0	76
MARC003	425839	7289338	325	-60	0	106
MARC004	425838	7289561	315	-60	0	52
MARC005	426309	7289604	328	-60	180	58
MARC006	426586	7289674	319	-60	0	40
MARC007	426540	7289760	323	-60	0	58
MARC008	426598	7288887	303	-60	0	88
MARC009	426702	7288812	305	-60	0	140
MARC010	426708	7288888	328	-60	0	130
MARC011	426518	7288792	324	-60	0	120
MARC012	426663	7289013	329	-60	0	70
MARC013	427019	7289468	320	-60	0	60
MARC014	426197	7289589	320	-60	180	78
MARC015	426319	7289566	325	-60	0	100
MARC016	425677	7290122	326	-60	0	58
MARC017	425832	7290085	324	-60	0	64

Appendix 2 Significant Interval table:

HoleID		From	To	Width (m)	Li2O %	Ta2O5 ppm
GASRC0001		87	123	36	0.71	57
GASRC0002		16	23	7	0.46	52
GASRC0003		105	108	3	0.38	26
	and	110	133	23	1.02	55
GASRC0004		0	1	1	0.75	76
	and	14	30	16	0.95	142
GASRC0007		0	26	26	0.95	59
GASRC0008	NSR					
GASRC0009		106	108	2	1.49	30
	and	121	126	5	0.39	97
GASRC0010	NSR					
GASRC0011		0	8	8	1.04	47
	and	15	20	5	1.04	67
GASRC0016		117	120	3	1.26	74
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	and	115	118	3	0.8	18
	and	132	157	25	0.58	77
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	and	77	94	17	0.95	54
MARC011		81	99	18	1.09	41

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	<ul style="list-style-type: none"> Limited data has been supplied, sampling referenced has been carried out by Segue Resources, Arrow Minerals and Electrostate, reverse circulation (RC) drilling and semi-quantitative XRD analysis have been completed at the project Sampling of RC drilling has been carried out via a static cone splitter mounted beneath a cyclone return system to produce a representative sample, or via scoop These methods of sampling are considered to be appropriate for this style of exploration
Drilling techniques	<ul style="list-style-type: none"> RC drilling was completed using a 133mm face sampling bit or unspecified methods It is assumed industry standard drilling methods and equipment were utilised for all drilling
Drill sample recovery	<ul style="list-style-type: none"> RC recoveries were visually estimated on the rig, bulk reject sample from the splitter was retained on site in green bags for use in weighing and calculating drill recoveries at a later date if required Sample weights were recorded by the laboratory No bias was thought to exist due to sample recovery
Logging	<ul style="list-style-type: none"> A complete quantitative and qualitative logging suite was supplied for drilling including lithology, alteration, mineralogy, veining and weathering No chip photography has been supplied Logging is of a level suitable to support Mineral resource estimates and subsequent mining studies
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> RC sampling methods included single metre static cone split or via scoop Samples were recorded as being mostly dry Field duplicates were inserted at a rate of 1:20 within the pegmatite zones Samples were analysed by Nagrom or ALS Laboratories where 3kg samples were crushed and pulverised to 85% passing 75 microns for a sodium peroxide fusion followed by ICP-MS determination for 25 elements. Semi-Quantitative XRD analysis was carried out by Microanalysis Australia using a representative sub-sample that was lightly ground such that 90% was passing 20 µm to eliminate preferred orientation
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> All samples are assumed to have been prepared and assayed by industry standard techniques and methods The sodium peroxide fusion used is a total digest method Field duplicates, certified reference materials (CRMs) and blanks were inserted into the sampling sequence at a rate of 1:20 within the pegmatite zone Internal standards, duplicates and repeats were carried out by Nagrom laboratories and ALS as part of the assay process No standards were used in the XRD process
Verification of sampling and assaying	<ul style="list-style-type: none"> Significant intercepts have been reviewed by senior personnel No twinned holes have been drilled Primary data was recorded in logbooks or spreadsheets before transfer into a geological database
Location of data points	<ul style="list-style-type: none"> Collars were located using handheld Garmin GPS unit with +/- 5m accuracy GDA94 MGA zone 50 grid coordinate system was used Holes were not downhole surveyed, planned collar surveys were provided
Data spacing and distribution	<ul style="list-style-type: none"> Drill hole spacing is variable throughout the programme area Spacing is considered appropriate for this style of exploration Sample composting has not been applied
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Drill holes were orientated to intersect the pegmatite zones as close to perpendicular as possible; drill hole orientation is not considered to have introduced any bias to sampling techniques utilised as true orientation of

Criteria	Commentary
	the pegmatites is yet to be determined
Sample security	<ul style="list-style-type: none"> Samples were collected, stored and delivered to the laboratory by company personnel
Audits or reviews	<ul style="list-style-type: none"> None carried out

Section 2 Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Drilling activities have been carried on E09/2169 The tenements are in good standing There are no heritage issues
Exploration done by other parties	<ul style="list-style-type: none"> The area has a long history of multi commodity exploration including base and precious metals, industrial minerals and gem stones stretching back to the 1970s, activities carried out have included geophysics and geochemical sampling, and some drilling Targeted Li exploration was carried out in 2017 by Segue Resources with follow up drilling completed by Electrostare in July 2022
Geology	<ul style="list-style-type: none"> The project lies within the heart of the Proterozoic Gascoyne Province, positioned more broadly within the Capricorn Orogen — a major zone of tectonism formed between the Archean Yilgarn and Pilbara cratons. The Gascoyne Province has itself been divided into several zones each characterised by a distinctive and episodic history of deformation, metamorphism and granitic magmatism. The project sits along the northern edge of the Mutherbukin zone, along the Ti Tree Syncline. Mutherbukin is dominated by the Thirty-Three supersuite a belt of plutons comprised primarily of foliated meta-monzogranite, monzogranite and granodiorite. Rare-earth pegmatites have been identified and mined on small scales
Drill hole Information	<ul style="list-style-type: none"> A list of the drill hole coordinates, orientations and metrics are provided as an appended table
Data aggregation methods	<ul style="list-style-type: none"> No metal equivalents are used Significant intercepts are calculated with a cut-off grade of 0.3% Li₂O
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> The pegmatites are interpreted as dipping moderately to steeply toward the south Further drilling is required to confirm the true orientation of the pegmatites across multiple lines
Diagrams	<ul style="list-style-type: none"> Figures have been included in the announcement
Balanced reporting	<ul style="list-style-type: none"> All drill collars, XRD results and significant intercepts have been reported in the appendix
Other substantive exploration data	<ul style="list-style-type: none"> None completed at this time
Further work	<ul style="list-style-type: none"> POW's have been submitted to give RDT access to drill 200RC and 100 Diamond holes immediately over the area currently cleared under the existing heritage agreement, work will only be carried out under the guidelines of the heritage agreement and the agreed POW terms. The initial 12 months of exploration will be focused on understanding the potential size and the orientation and structural setting of the pegmatite emplacement at the Yinnetharra project, RDT envisages both additional Geochemical and geophysical studies will be utilised to complete this scope of work