



\$2.7 million Placement to advance lithium exploration

- **Firm commitments have been received for a Placement of new shares to raise up to \$2.7 million (before costs)**
- **Strong support from sophisticated and institutional investors**
- **Proceeds from the Placement will primarily be used to advance lithium drilling and exploration programs at the Company's Forrestania project**
- **Exploration to focus on maiden lithium drill programs, regional soil sampling and ongoing environmental and heritage surveys**
- **In addition to the Placement the Company intends to undertake a Loyalty Option Entitlement Offer to Eligible Shareholders**

Forrestania Resources Limited (ASX:FRS) (**Forrestania** or the **Company**), is pleased to announce it has accepted binding commitments for a Placement of 18.0 million shares at an issue price of \$0.15 per share ("Placement Shares") to raise \$2.7 million before costs ("Placement"). The issue price represents a discount of 13% to the last close price of \$0.1725 and a discount of 25% to the 10 Day VWAP of \$0.20.

Chief Executive Officer, Angus Thomson, commented: "Today's announcement that funding has been secured for drilling and exploration at Forrestania is an exciting development for the Company and the geology team and underpins the Company's belief in the project as a Tier 1 lithium exploration project. The funding allows the Company to continue with exploration programs that are focused on advancing our pipeline of lithium targets to drill testing. This is an exciting time as we move towards lithium focused drill programs and our ongoing soil sampling programs to refine existing anomalies and identify new areas to explore".

Placement Details

The Placement will occur in the following tranches:

- **Tranche 1 Shares:** 7,608,517 Placement Shares will be issued under the Company's 15% placement capacity under listing rule 7.1 to raise \$1,141,278; and
- **Tranche 2 Shares:** subject to receiving shareholder approval at the Company's 2022 Annual General Meeting ("AGM") in November 2022, 10,391,483 Placement Shares are to be issued to raise \$1,558,722.

Each Placement Share will have the right to subscribe for one option for every two Placement Share at a cost of A\$0.005 per option ("Placement Option"). Each Placement Option will have an exercise price of A\$0.25 with an expiry date of 30 November 2024. The issuance of the Placement Options is subject to receiving shareholder approval at the AGM. The Company intends to apply to have the Placement Options quoted and tradeable on the ASX.

CPS Capital Group Pty Ltd acted as Lead Manager to the Placement and will receive a fee of 6% of funds raised under the Placement.

Option Entitlement Offer

The Company is pleased to announce that it will undertake a non-renounceable rights issue of options on a basis of one option (Loyalty Option) for every two shares held by eligible shareholders at an issue price of A\$0.005 per Loyalty Option ("Loyalty Option Entitlement Offer").

An indicative timetable for the Loyalty Option Entitlement Offer is outlined below.

Use of proceeds

Proceeds from the Placement and Loyalty Option Entitlement Offer will primarily be used to advance lithium focused exploration at the Company's Forrestania Project. The Forrestania Project is prospective for significant lithium, gold and nickel discoveries. An initial RC drill program of ~1,500m has been planned for the December quarter. Drilling is planned to test lithium targets at Bounty East and the Gem Mine (which is part of the broader Gemcutter prospect). Proceeds from the Placement and Loyalty Option Entitlement Offer will also be used to meet minimum exploration commitments at the Company's other projects and for general working capital purposes.

Timetable and other

The following indicative timetable has been prepared for the Placement and Loyalty Option Entitlement Offer. The timetable is subject to change at the Company's discretion and subject to compliance with applicable laws and ASX Listing Rules.

Lodgement of Prospectus with the ASIC	11 October 2022
Lodgement of Prospectus and Appendix 3B with ASX	11 October 2022
Ex date	14 October 2022
Record Date for determining Entitlements	17 October 2022
Issue of Tranche 1 Shares under the Placement	18 October 2022
Prospectus sent out to Shareholders and Company announces this has been completed	20 October 2022
Entitlement Offer opening date	20 October 2022
Last day to extend the Closing Date of the Entitlement Offer	27 October 2022
Closing Date of the Entitlement Offer as at 5:00pm ¹	1 November 2022
Options issued under Entitlement Offer quoted on a deferred settlement basis ^{***}	2 November 2022
ASX notified of under subscriptions under Entitlement Issue	8 November 2022
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Loyalty Options	8 November 2022
Quotation of Loyalty Options issued under the Offer ²	9 November 2022
Date of Annual General Meeting	28 November 2022
Closing Date of Placement Offer	29 November 2022
Issue of Placement Options	30 November 2022
Closing Date of Shortfall Offer	Within 3 months from the date of the Prospectus

1. The Directors may extend the Closing Date for the Offer by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Options are expected to commence trading on ASX may vary.
2. Quotation of the Options is subject to the Company satisfying the quotation requirements set out in Chapter 2 of the ASX Listing Rules

Forrestania Resources Exploration Program

Forrestania Resources has continued to ramp up its exploration at the Forrestania Project during 2022. The planned exploration for the project includes maiden drill programs at Bounty East and the Gem Mine. Environmental and heritage surveys are ongoing to build a pipeline of drill ready targets. Soil sampling is ongoing across the project to increase confidence around existing anomalies and to define new areas of interest. Exploration will also be carried out at the Company's other projects to meet minimum expenditure requirements.

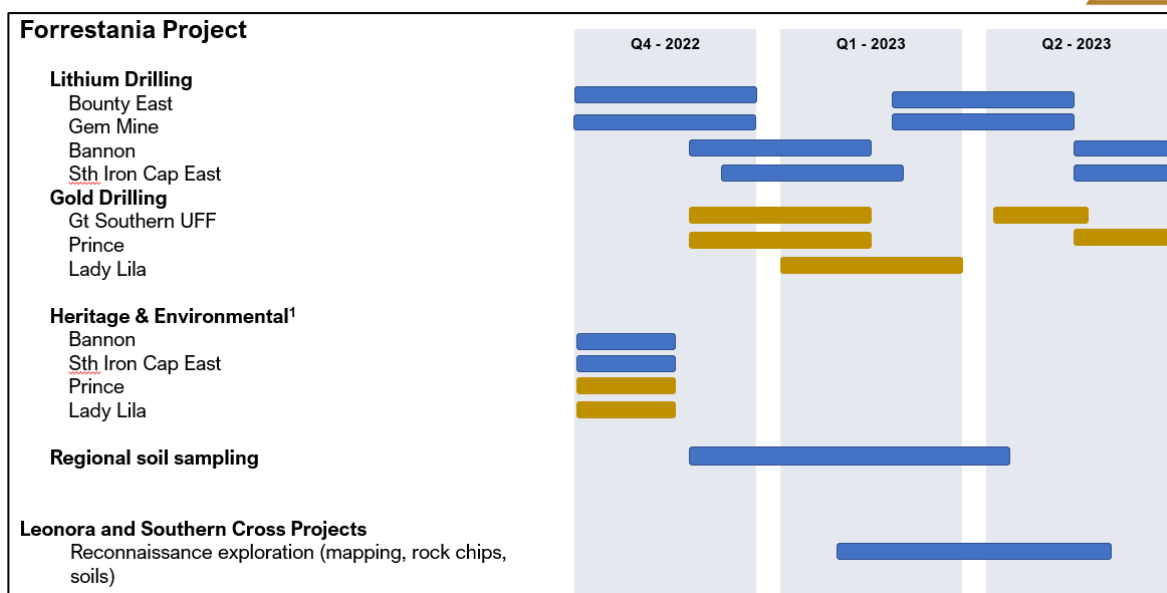


Figure 1: Planned Forrestania Resources exploration work program

- Approvals workstreams continue to be progressed for lithium and gold targets with heritage and environmental surveys being undertaken as required. As these work streams are progressed additional targets are anticipated to become available for drilling. A heritage survey is scheduled for early in Q4. The heritage survey is planned for the Bannon (Li), South Iron Cap East (Li), Lady Lila (Au) and Prince (Au) areas. A targeted flora survey has recently been undertaken at Bounty East and Gemcutter (to support new PoW applications) and at South Iron Cap East (to possibly modify the PoW), the final flora report is currently pending.

End

This announcement is authorised for release by the Board.

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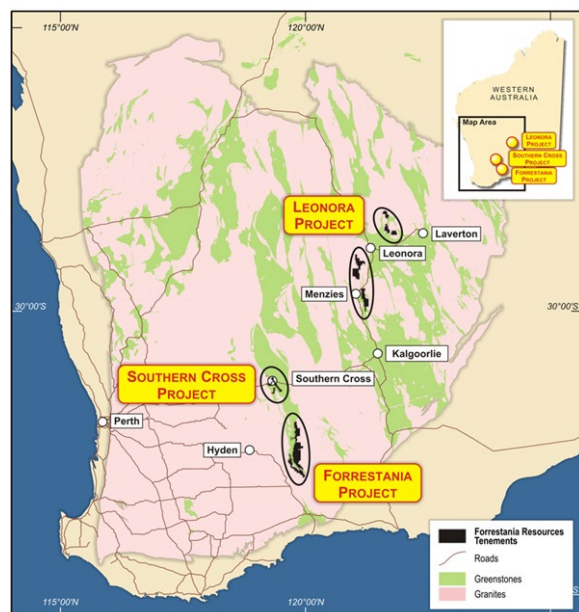
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About Forrestania Resources Limited

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 856.7km². 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.