

13 February 2023

ASX: EMC

Directors

Mark Caruso
Robert Downey
David Argyle
Kim Wainwright

Capital Structure

106.4 million shares
5.9 million listed options
3.1 million unlisted options
10.2 million performance rights

Projects

Mt Edon (WA)*
Revere (WA)*
Rover (WA)
Mt Dimer (WA)
Yarbu (WA)
Midas (NSW)
Perseus (NSW)
Trident (NSW)

**Subject to shareholder approval*

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JOINT VENTURE OF BROKEN HILL PROJECTS

Highlights

- **EMC has executed exclusive binding HOA Joint Venture Agreement (Agreement) with Stelar Metals (ASX: SLB) for NSW Broken Hill Projects – Trident, Midas and Perseus**
- **Transaction consideration includes cash / fully paid SLB shares:**
 - **\$250,000 cash payable on execution of Agreement**
 - **SLB issue¹ \$250,000 SLB shares calculated on 10-day VWAP average prior to Agreement execution date (Issue Price)**
 - **Milestone Payment at EMC election of \$500,000 SLB shares at the Issue Price or \$500,000 cash payable on the earlier of drilling commencement at the Midas Project or drilling approvals at the Trident Project**
- **Formation of an unincorporated Joint Venture (JV) with SLB subsidiary BR2 Pty Ltd (BR2). JV interest: BR2 90% - EMC 10%**
- **EMC to retain 10% Free-Carry JV Interest until delivery by BR2 of a feasibility study and a decision to mine upon which EMC can contribute or convert to 1.5% Net Smelter Royalty**
- **The Transaction is subject to SLB Conditions Precedent including, Completion of 15-day Due Diligence, SLB Board Approval, ASX approvals (if any)**

Commenting on the divestment of the Broken Hill projects, Chief Executive Officer Mark Caruso said:

“The Joint Venture of the NSW assets is consistent with EMC’s strategic focus on its near-term West Australian Gold and Battery Metal Projects. The Transaction with Stelar further enhances EMC’s excellent exposure to lithium through the RTX JV at Rover and the recent Mt Edon Acquisition.”

PROJECT INFORMATION

Covering a combined 753km², the Company has one of the largest license holdings in the Broken Hill area, all within ~50km of Broken Hill.

The Company has identified compelling IOCG targets at the Benco prospect within the Midas Project which is drill ready. For the Trident project, the Company reported assay results from its first pass rock chip sampling programme in 2021 and has identified a further six high priority IOCG targets for testing.

Midas Cu-Au Project

The Midas Cu-Au Project (“**Midas**”) is prospective for Iron-Oxide-Copper-Gold (“**IOCG**”) and is located 40km north-east of Broken Hill and adjacent to Silver City Minerals (ASX: SCI) Yalcowinna Tenement. Several areas of strong Cu-Au anomalism have already been defined across the Midas Project through soil and rock chip sampling programmes.

Perseus IOCG Project

The Perseus Project (“**Perseus**”) is prospective for IOCG mineralisation and is located ~50km west of Broken Hill and north of the Thackaringa Cobalt Project. In 2018 EMC identified six high priority IOCG targets for testing and the Geological Survey of NSW’s November 2018 Mineral Potential Report for the Curnamona ranked three of the six high priority Perseus targets as highly prospective.

Trident IOCG Project

EMC’s Trident Project (“**Trident**”) is prospective for IOCG and tin. Located ~35km north-east of Broken Hill within the Curnamona Craton, it is hosted in an ovoid-shaped craton of Paleoproterozoic to Mesoproterozoic rocks of the Willyama Supergroup (1720-1640Ms) which hosts the Broken Hill stratabound lead-zinc-silver deposits and numerous small metalliferous occurrences. In 2021 EMC identified strong copper, gold, and tin mineralisation at Trident.

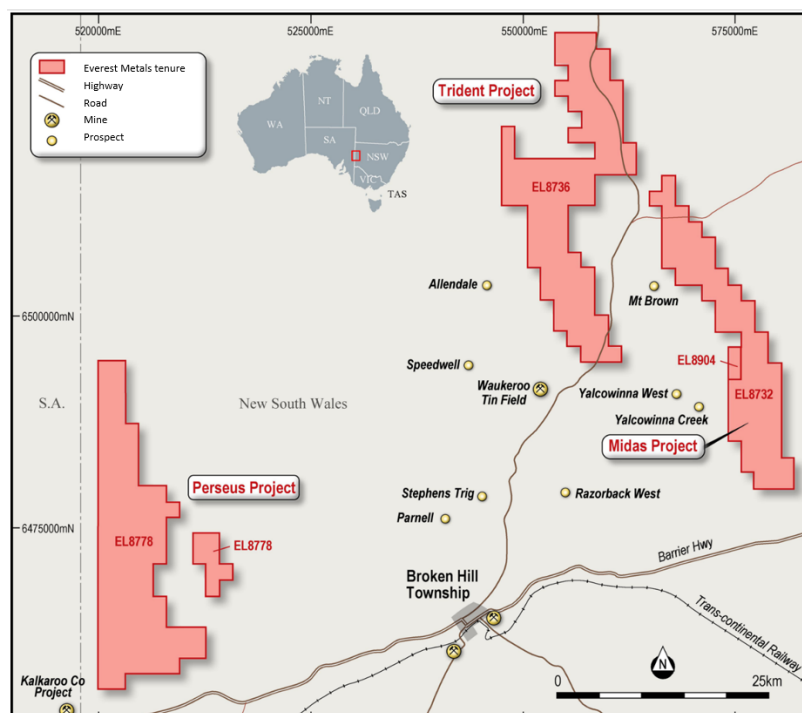


Figure 1: Location of EMC’s Broken Hill tenements

DEAL STRUCTURE

The Key Terms of the agreement with SLB to Join Venture the Company's three NSW projects includes:

- SLB will pay \$250,000 cash to EMC on the signing of the Agreement.
- SLB will also issue¹ fully paid Stellar Shares to EMC that is equal in value to \$250,000 divided by the volume weighted average price of the Shares as traded on the ASX over the 10 days immediately prior to the date of the agreement (“**Issue Price**”).
- An additional Milestone Payment will be paid to EMC once either drilling commences at the Midas Project or drilling approvals are granted by the NSW regulators for drilling at the Trident Project. The Milestone Payment will comprise either SLB issuing¹ fully paid SLB Shares to the value of \$500,000 at the same Issue Price determined at the date of the agreement or a cash payment by SLB to EMC of \$500,000. This is at the sole election of EMC.
- SLB will become the Managers of the projects and 90% legal title will be transferred to SLB's subsidiary BR2 Pty Ltd. EMC will retain free-carry for their 10% interest until such time that SLB presents a Feasibility Study and a Decision to Mine.
- After the free-carry period EMC will either contribute 10% to all ongoing costs or dilute to a 1.5% Net Smelter Royalty (NSR).
- Conditions Precedent include the satisfaction (or waiver at the discretion of BR2), of the following:
 - Completion of legal and technical due diligence by BR2 on the Assets and Everest, to the satisfaction of BR2 in its sole discretion within 15 business days,
 - BR2 obtaining board approval to give effect to the terms of the Acquisition within 5 Business Days of the Execution Date;
 - BR2 obtaining all necessary regulatory, shareholder and third-party approvals (including any necessary ASX Listing Rule approvals) or consents to allow BR2 to lawfully complete the Acquisition.

¹ Note the issue of the shares will be deferred until the legal transfer of title of the tenements to SLB's subsidiary BR2 Pty Ltd has been completed.

The Board of Everest Metals Corporation Limited authorised the release of this announcement to the ASX.

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Forward Looking and Cautionary Statement

This report may contain forward-looking statements. Any forward-looking statements reflect management's current beliefs based on information currently available to management and are based on what management believes to be reasonable assumptions. It should be noted that a number of factors could cause actual results, or expectations to differ materially from the results expressed or implied in the forward-looking statements.

About Everest Metals Corporation

Everest Metals Corporation Limited (ASX: EMC) is an ASX-listed explorer. EMC's Australian assets comprise two tenure groupings detailed briefly as follows:

WA Archaean Gold and Battery minerals assets:

- **Mt Edon Project:** Project contains the Mt Edon Pegmatite Field on granted Mining Lease M59/714 located in the Southern portion of the Paynes Find Greenstone Belt – an area known to host swarms of Pegmatites. Considered highly prospective for Lithium, Caesium, Tantalum, Rubidium and Rare Earth Elements mineralisation. Moving to 51% ownership subject to shareholder approval.
- **Revere Project:** The tenement package size, including the tenements under option cover an area of 82 km², including granted tenements E51/1766, E51/1770, P51/3240, P51/3241 and pending applications M51/905, E51/2119, E51/2088 and includes a system of richly endowed Gold Reefs, from surface over a 7km strike area. Moving to 51% ownership subject to shareholder approval.
- **Mt Dimer Project:** is made up of mining lease M77/515 and exploration license E77/2383. The project is highly prospective for Archean gold.
- **Yarbu Project:** This project is located on the Marda Greenstone belt ~ 80km to the northwest of the Mt Dimer Project. Yarbu consists of three exploration licenses (E77/2442, E77/2540 and E77/2539) which cover approximately 223sq km and are highly prospective for Archean gold deposits.
- **Rover Project:** EMC's 100% owned Rover project is located near Sandstone in a base metals and gold mineral rich area associated with Archean greenstone belts. Rover Project is a large 460sqkm tenure package covering two linear Archean greenstones, with a combined length of around 160km.