



20 February 2023

Mining lease granted over the Dome North lithium Mineral Resource

Mining lease M15/1896 has been granted with a term of 21 years. The mining lease covers 2,408 hectares, encompassing the Dome North lithium Mineral Resource and the surrounding area where the future mining operation infrastructure will be located.

Highlights

- The mining lease application, lodged in September 2022, was based on a Mineralisation Report and Supporting Statement prepared by SRK, a geological consultancy.
- The area of the mining lease (M15/1896) encompasses 2,408 hectares, which encapsulates the three deposits that comprise the current lithium Mineral Resource estimate, lithium mineralisation identified in the vicinity of the Resource and land to be utilised for the concentrator plant, waste dumps, tailings storage facility and other mine operation infrastructure and ancillary services.
- The term of the mining lease is 21 years, commencing 16 February 2023.
- The granting of a mining lease is one of the first steps towards establishing an operating mine. Key next steps include the lodgement of a Mining Proposal which includes a mine closure plan. The information for the Mining Proposal is typically generated from detailed feasibility studies and covers technical, environmental, key mining activities, safety and stakeholder engagement.

NB: Shareholders are reminded of the proposed acquisition of 100% of Essential by Tianqi Lithium Energy Australia Pty Ltd (TLEA) by way of a Scheme of Arrangement (TLEA Scheme) for \$0.50 cash per Essential share, as announced on 9 January 2023¹. It is anticipated that the Scheme booklet, which will contain detailed information to assist shareholders in making their decision to vote on the Scheme, will be made available to shareholders in March.

Essential Metals Managing Director, Tim Spencer, said: *“The granting of the mining lease is another step along the development pathway for the Pioneer Dome Lithium Project. In particular, I would like to thank the Ngadju Native Title Aboriginal Corporation, who represent the Ngadju people, the native title custodians of the land on which the Project is located, for their ongoing support for the Project.”*

¹ Refer ASX announcement 9 January 2023 “Essential and TLEA to enter into Scheme of Arrangement”.

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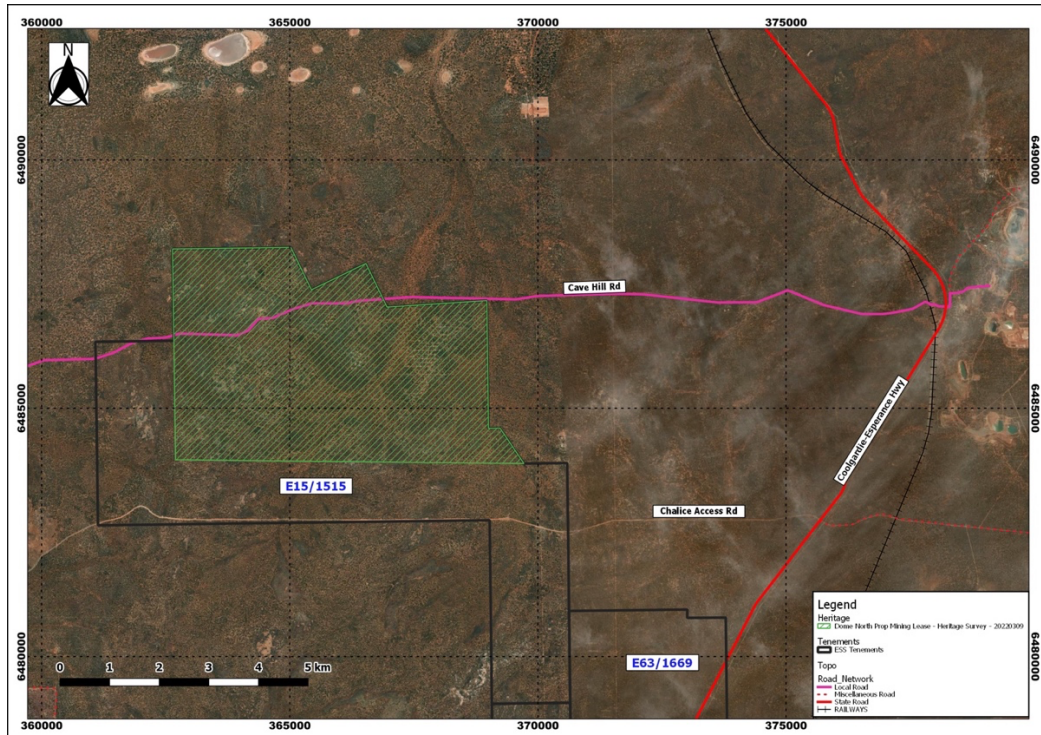


Figure 1 – Mining lease M15/1896 within exploration licence E15/1515 in the northern area of the Pioneer Dome Lithium Project.

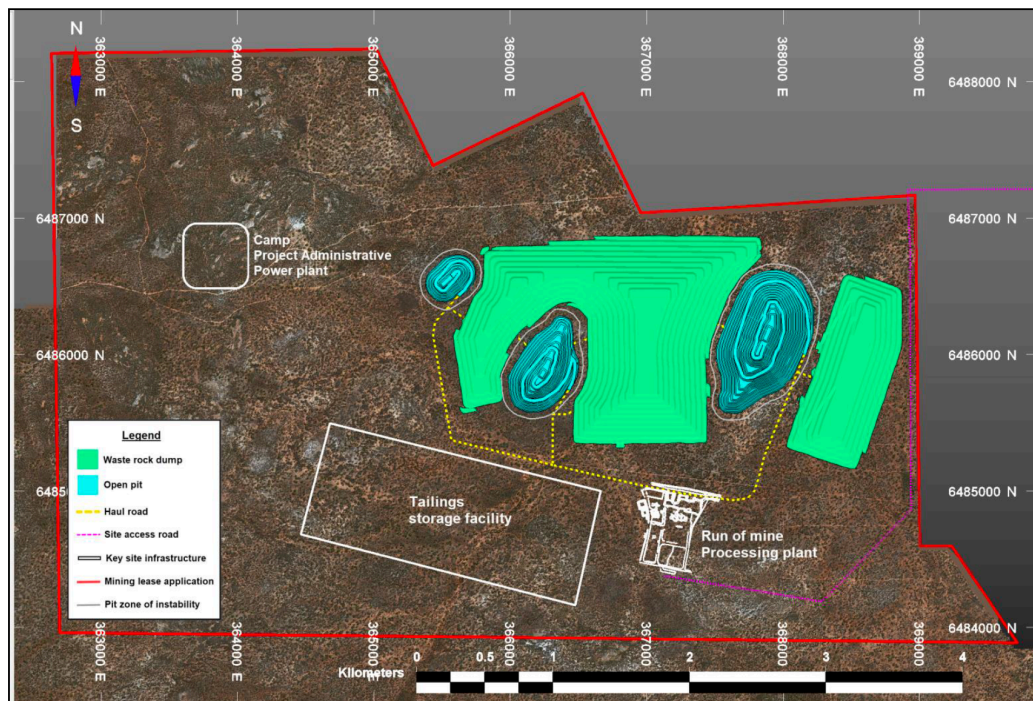


Figure 2 – The conceptual mine arrangement for the Dome North open pit mining operations, including the Concentrator plant and ancillary infrastructure.

Figure 2 provides a conceptual outline of the mining operation with the final design layout to be determined during the upcoming feasibility studies, following on from the Scoping Study announced² earlier this month.

² Refer ASX announcement 7 February 2023 "Pioneer Dome Scoping Study".



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/developer focussed on the discovery of lithium and other 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 @ 1.16% lithium (Li₂O) including 8.7 million tonnes @ 1.23% lithium (Li₂O) within the Indicated Category.³
- **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).

³ Refer ASX announcement 20 December 2022 "Dome North Resource upgrade".

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 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.

Dome North Lithium Mineral Resource – Competent Person Statement

The information in this report that relates to the Dome North Lithium Project Mineral Resource is based on information compiled by Mr Andrew Dunn (Exploration Manager and permanent employee of Essential Metals Limited) and Mr Lauritz Barnes (consultant with Trepanier Pty Ltd). Mr Dunn is eligible to receive equity-based securities in Essential Metals Limited under the Company's employee incentive schemes. Mr Dunn and Mr Barnes are both members of the Australian Institute of Geoscientists. Mr Dunn and Mr Barnes both have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically, Mr Dunn is the Competent Person for the database (including all drilling information), the geological and mineralisation models plus completed the site visits. Mr Barnes is the Competent Person for the construction of the 3-D geology / mineralisation model plus the estimation. Mr Dunn and Mr Barnes consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

Dome North Mineral Resource by deposit and category: (0.3% Li₂O cut-off grade)

Deposit	Classification	Tonnes (Mt)	Li ₂ O %	Ta ₂ O ₅ ppm	Contained Li ₂ O (T)	Fe ₂ O ₃ %
Cade	Indicated	6.9	1.26	49	88,000	0.44
	Inferred	1.3	0.88	49	11,000	0.44
Davy	Indicated	1.6	1.08	81	18,000	0.54
	Inferred	0.6	0.89	73	4,000	0.58
Heller	Inferred	0.7	1.02	76	8,000	0.72
Total	Total	11.2	1.16	57	129,000	0.48

Note: Appropriate rounding applied.

PIONEER DOME LITHIUM PROJECT

The 450km² Pioneer Dome Project (ESS: 100%) is in the core of Western Australia’s lithium corridor in the Eastern Goldfields, approximately 130km south of Kalgoorlie and 270km north of the Port of Esperance. A Mineral Resource of 11.2Mt @ 1.16% Li₂O has been defined at Dome North in the northern area of the Project.

The southern Yilgarn area is recognised as being well-endowed with spodumene deposits, including the Pioneer Dome, Bald Hill Mine, the Mt Marion Mine, the Manna Project and the Buldania Project, all of which are located within a circle with a 90km radius. The world-class Greenbushes Deposit, the Mt Holland Mine and the Mt Cattlin Mine are located further west, south-west and south-south-west, respectively.

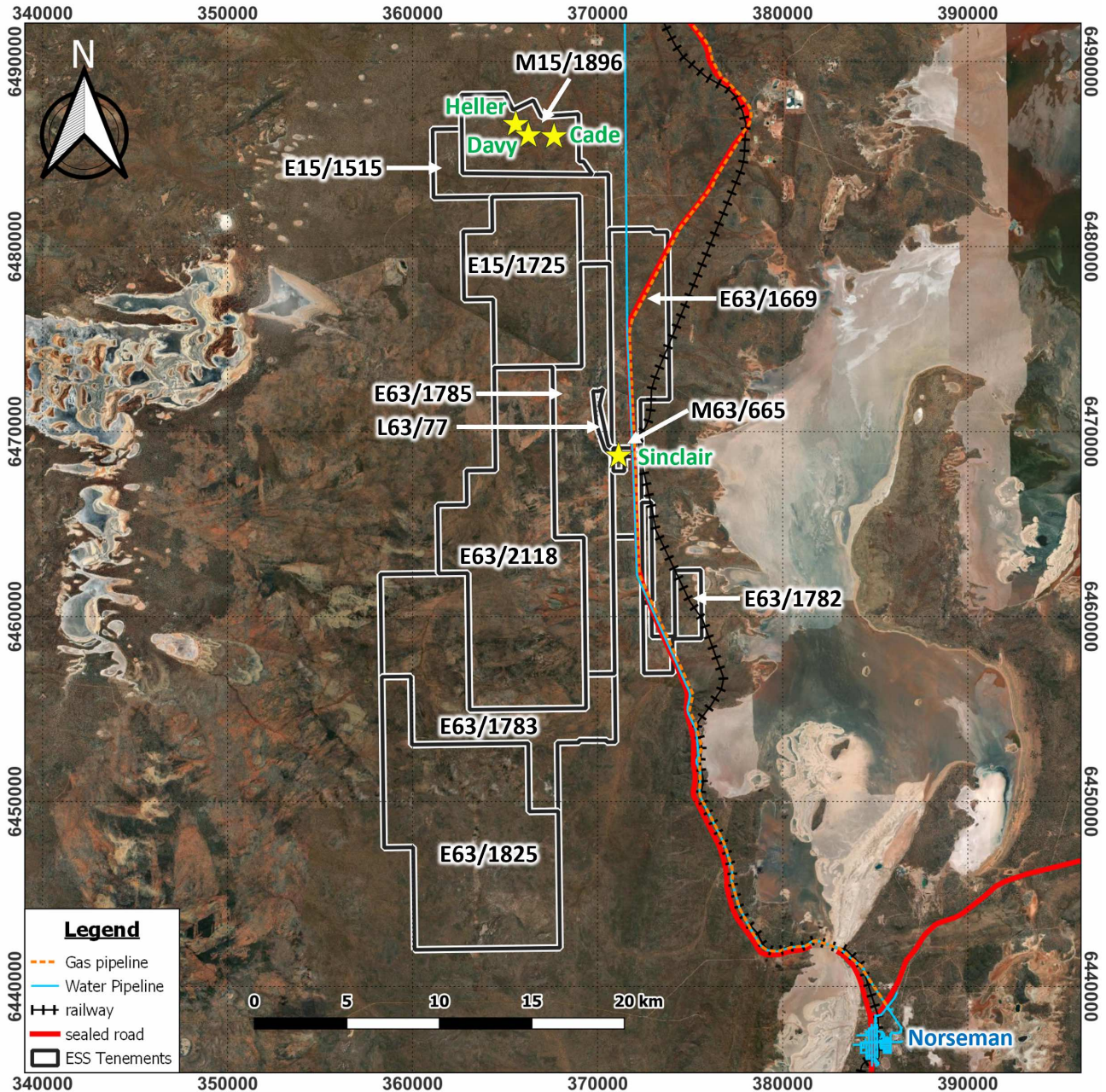


Figure 3 – The location of the tenements of the Pioneer Dome Lithium Project relative to major infrastructure.