

ASX Announcement

17 May 2023

Burley to raise AUD\$4.5m to accelerate Canadian lithium exploration

HIGHLIGHTS

- AUD\$4.5m capital raise consists of a combination of a "flow-through share" placement and a share placement
- AUD\$3.3m to be raised utilising the "flow-through share" provisions under Canadian tax law. The "flow-through shares" will be placed at AUD\$0.436 per share, representing a 78% premium to the last closing price of AUD\$0.245 on 12 May 2023
- Concurrent with the "flow-through share" issue, Burley is conducting a private share placement to sophisticated and institutional investors to raise approximately AUD\$1.2m at AUD\$0.21 per share

Burley Minerals Ltd (ASX: **BUR**, "**Burley**" or "the **Company**") is pleased to announce that it has received firm commitments to raise AUD\$4.5m (before costs) via a combination of the issuance of "flow-through shares" under the Income Tax Act (Canada) facilitated by PearTree Securities Inc. ("**PearTree**") and Canaccord Genuity (Australia) Limited ("**Lead Manager**") (the "**FTS Placement**") and a private share placement to sophisticated and institutional investors in accordance with Section 708 of the Corporations Act (Australia) (the "**Placement**").

Managing Director Wayne Richards commented:

"Burley is excited to receive commitments for a A\$4.5m capital raise, and to see the high level of interest at a time of improving lithium prices and demand. The additional funding will allow Burley to accelerate drilling at its Canadian Tier 1 lithium projects in the province of Quebec, Canada in close proximity to Canada's only operating spodumene mine and concentrator.

"The 'flow-through share' provisions under Canadian tax law mean we are able to raise capital at a significant premium to the current share price which in turn minimises dilution to existing shareholders significantly.

"The funding will allow the Company to further ramp up exploration and resource drilling and resource targeting activities at the Chubb Lithium Project. Our geologists are currently on the ground at Chubb, planning additional holes to significantly extend our 5,000m Phase 1 drilling campaign announced last month.

"Burley is working to complete the proposed acquisition of the Bouvier Lithium Project and to initiate its spodumene targeting work inclusive of drill planning and approvals. We also look forward to our initial targeting work kicking off in the Gascoyne Lithium Projects along the same corridor as the Yinnetharra Lithium Project, currently being drilled by Delta Lithium Ltd (ASX:DLI).

“The Company continues to see exciting progress at both Chubb and Bouvier, which underpins our decision to pursue this capital raise and move more aggressively towards targeting a maiden resource in an established lithium province, close to both infrastructure and an established lithium mine .”

FTS Placement details

The Company has received firm commitments to undertake the FTS Placement to raise CAD\$3.0m (AUD\$3.33m), before costs, through the issue of 7,651,110 new fully paid ordinary shares (“**Flow-Through Shares**”) at a 78% premium to the last closing price on Friday 12 May 2023 under the Canadian “flow-through share regime”, which provides tax incentives to eligible investors in respect of Company expenditures that qualify as “flow-through critical mineral mining expenditures” under the Income Tax Act (Canada).

The FTS Placement has been facilitated by PearTree, pursuant to a subscription and renunciation agreement with the Company, and a block trade agreement being facilitated by the Lead Manager.

Pursuant to a block trade agreement between PearTree and the Lead Manager, the Lead Manager will facilitate the secondary sale of the Flow-Through Shares acquired by PearTree clients under the FTS Placement to sophisticated and professional investors by way of a block trade at AUD\$0.21 per Flow-Through Share. The Flow-Through Shares will cease to be flow-through shares on completion of the FTS Placement and end-buyers taking Shares in the block trade will not take the Shares as flow-through shares.

A prospectus prepared in accordance with section 713 of the *Corporations Act 2001* (Cth) will be issued in connection with the FTS Placement to facilitate secondary trading of the new shares the subject of the FTS Placement. The tax benefits associated with the Flow-Through Shares are available only to the investors (who are Canadian residents) and not to any other person who acquires the Flow-Through Shares through the on-sale or transfer of those Flow-Through Shares.

CAD\$1.5m of the proceeds from the FTS Placement will be held by the Company’s Canadian lawyers, in trust (**Escrowed Funds**), with the remaining CAD\$1.5m not being subject to any escrow (**Initial Funds**).

The Escrowed Funds will be released to the Company subject to the Company providing evidence that it has spent the Initial Funds on certain qualifying Canadian exploration expenditures (in order to comply with applicable Canadian laws) prior to 30 September 2024.

Placement details

Concurrently with the FTS Placement, the Company undertook a private Placement. The Company is pleased to advise that it has received firm commitments to raise approximately AUD\$1.2m (before costs) by the issue of 5,554,340 shares to sophisticated and professional investors at \$0.21 per share, representing a 14% discount to the last closing price on Friday, 12 May 2023 and a 16% discount to the 5-day VWAP.

The new shares from both the FTS Placement and the Placement are expected to be issued on or about 25 May 2023 using the Company’s available placement capacity under ASX Listing Rule 7.1 without the need for shareholder approval. The new shares to be issued under the FTS Placement and the Placement will rank equally with the Company’s existing shares on issue.

Use of proceeds

Proceeds from the FTS Placement and the Placement will allow Burley to fund:

- exploration, resource definition and metallurgical test work programmes at the Chubb Lithium Project in the Abitibi Lithium Hub region of the Quebec, Canada;
- the completion of the acquisition of, and the advancement of exploration at the Bouvier Lithium Project;
- ongoing advancement of the Gascoyne, Hamersley and Yerecoin Projects; and
- costs of the FTS Placement and the Placement and general working capital.

This announcement has been authorised for release by the Board of Directors.

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About Burley Minerals Limited

Burley Minerals Ltd (**ASX: BUR**) is a well-funded ASX-listed, Perth-based minerals explorer with Lithium and Iron Ore Projects, located within the World-Class Tier-1 provinces of Quebec, Canada and Western Australia. A recent Agreement to acquire 100% ownership of the Chubb Lithium Project in Quebec, Canada, and the Mt James and Dragon Lithium Projects in the Gascoyne region of Western Australia, was completed on 7 February 2023. Burley is currently finalising an agreement and conducting due diligence on the Acquisition of 100% of the Bouvier Lithium Project, located 14 KM North-west of the Chubb Lithium Project, in the Abitibi District of Quebec province.

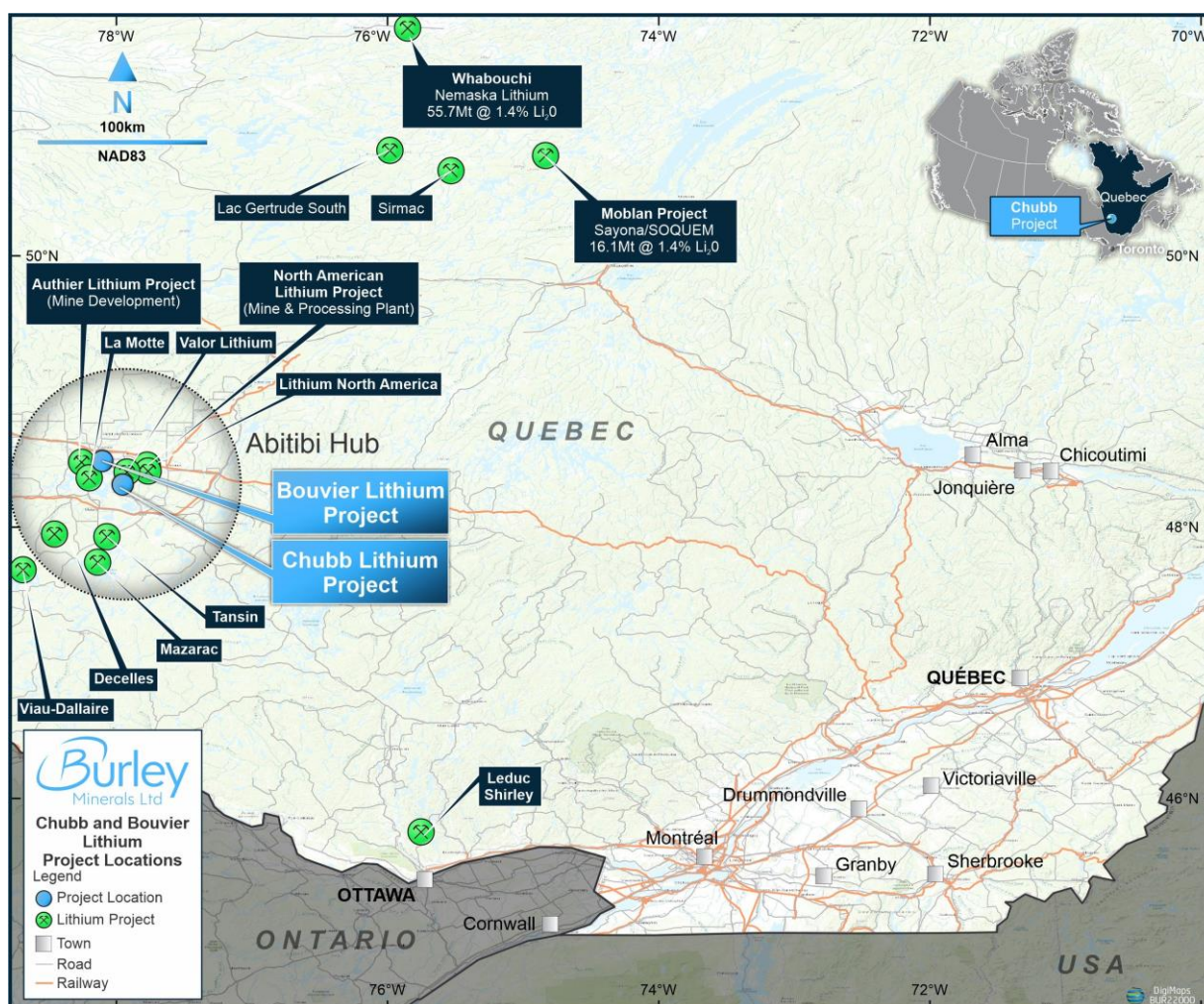


Figure 1: Location of the Chubb and Bouvier Lithium Projects and location respective of other significant lithium mines, concentrators, Infrastructure (road and rail) and ports

Burley also owns a 70% interest in the Yerecoin Magnetite iron Ore Project located approximately 120km to the northeast of Perth, Western Australian that has a JORC 2012 compliant Inferred and Indicated Mineral Resource of 246.7Mt capable of producing a concentrate at >68% Fe. Various studies have been completed by previous operators, including production scenarios as well as evaluation of infrastructure solutions.

Burley has three iron ore prospects: Cane Bore (exploration license application), Broad Flat Wells (exploration license) and Hardey West (exploration license) in the world class Hamersley Iron Ore Province. The Cane Bore Prospect has 28kms of remnant outcropping Channel Iron Deposit (CID) mineralisation which on average is 400m wide. Broad Flat Well has CID mineralisation confirmed by historical rock chip assays ranging up to 61.5% Fe.

Competent Person's Statement

No new exploration results or data are contained in this announcement.

The information in this announcement that relates to lithium and LCT pegmatite exploration results was previously announced to the market on 17 November 2022, 3 April 2023 and 5 May 2023. The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant announcement.

The information in this announcement that relates to the Yerecoin Main and South Mineral Resource Estimate was previously announced to the market in the Company's prospectus dated 27 May 2021.

The Company confirms that it is not aware of any new information or data that affects the information in the relevant announcements and that the material assumptions and technical parameters underpinning the estimate in the Prospectus continue to apply and have not materially changed.

Caution Regarding Forward-Looking Information

This announcement may include forward-looking statements regarding Burley Mineral Limited. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Burley. Actual values, results or events may be materially different to those expressed or implied in this document. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this document speak only at the date of issue of this ASX Release. Subject to any continuing obligations under applicable law, Burley does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions, or circumstances on which any such forward looking statement is based.