

6 September 2023

## CORPORATE UPDATE

## HEAVILY OVERSUBSCRIBED PLACEMENT CLOSES EARLY

## ADDITIONAL FUNDS TO BE USED TO ACCELERATE EXPLORATION

- ✚ **Commitments received for a \$4.25 million placement to sophisticated investors**
- ✚ **Funds to be used for exploration at the Company's Projects**
- ✚ **Lead Manager - CPS Capital introducing new institutional and high net worth investors to the share registry**

Errawarra Resources Ltd (ASX:ERW) (**Errawarra** or the **Company**) is extremely pleased to advise it has received firm commitments from new and existing sophisticated and professional investors to raise approximately \$4.25 million (before costs), by way of a placement of shares through clients of CPS Capital Group Pty Ltd (**CPS**).

Funds raised under the placement will primarily be used for upcoming exploration programmes at the Andover West projects in the Pilbara and further exploration at the Errabiddy project.

The West Pilbara region has been a focus of late due to exploration success by Azure Minerals Ltd, Raiden Resources Ltd and Greentech Metals. Errawarra's tenement is in the same locality as these companies which could presents an opportunity for potential exploration success.

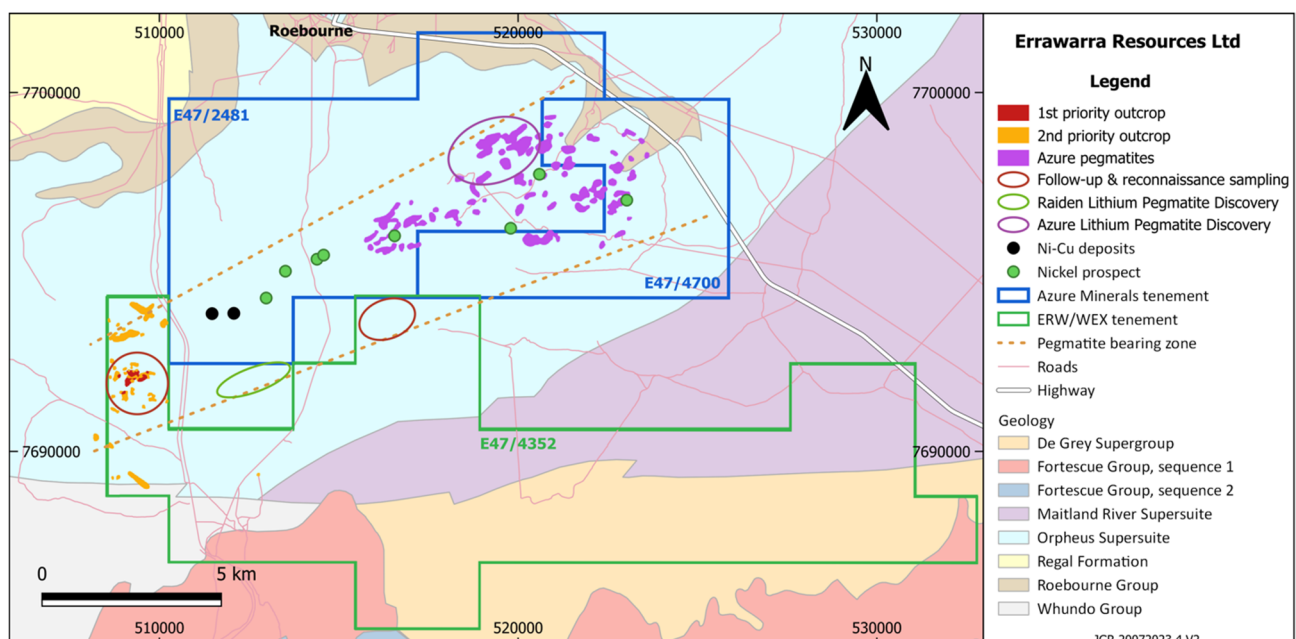


Figure 1. Location of Lithium Pegmatite Discoveries within the Andover Pegmatite Zone

## **Andover West**

The Andover West project covers that more than 110km<sup>2</sup> of tenure across highly prospective ground for a suite of mineral commodities. Recent aerial and ground surveys have assisted in the definition of pegmatites across the north western portion of the project and part of the central section that adjoins Raiden Resources Ltd.

The Company recently reported the assay results for 80 pegmatite samples taken from pegmatite outcrop identified on the company's tenement. A small subset of the samples reported a geochemical affinity to LCT pegmatites<sup>1</sup>.



Figure 2. Pegmatites at Andover West

The North West ERW pegmatite swarm is only ~12 kms from Azure Minerals Ltd priority location. During the Company's maiden drilling program, a number of pegmatites were intersected in drill holes with multiple reported lithium assays >150 ppm range which is well above the background average of 15 ppm.

<sup>1</sup> Refer to Errawarra Resources ASX announcement dated 3 August 2023.

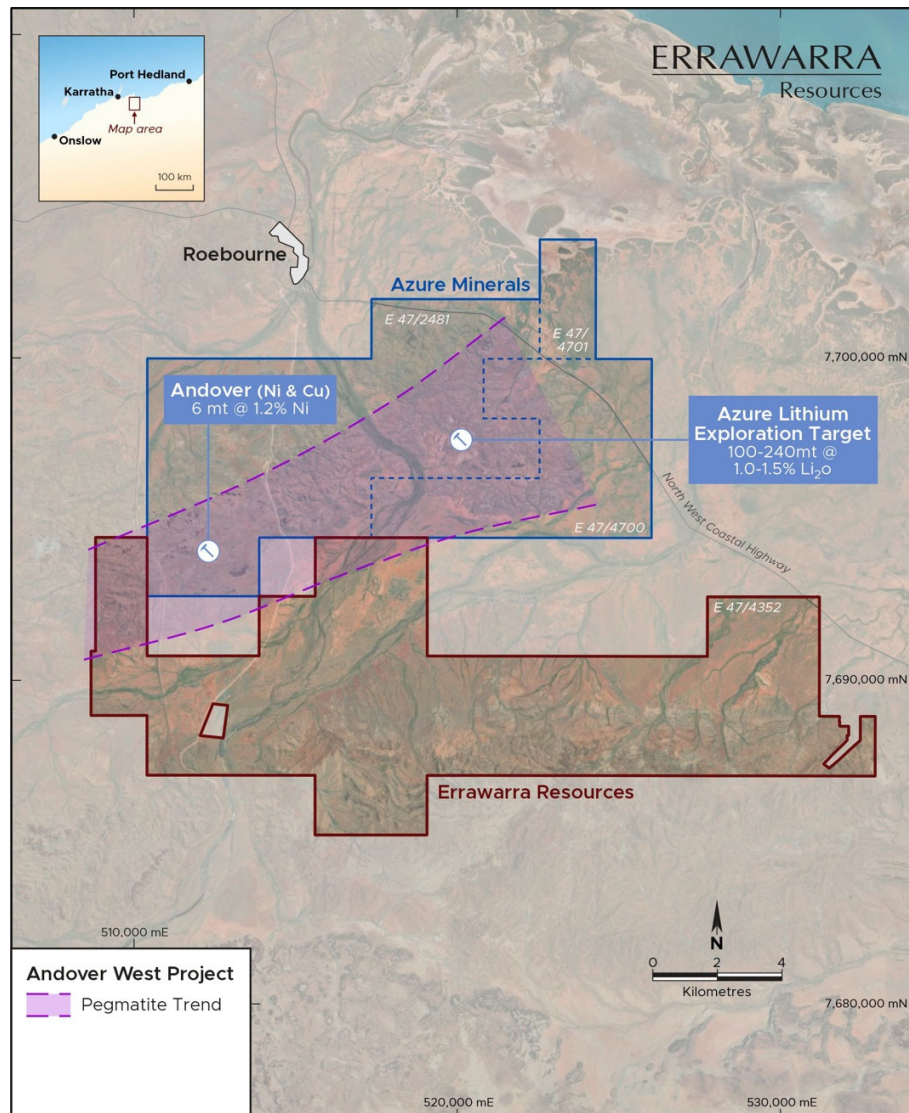


Figure 3. Pegmatites trend extending to Andover West

## Errabiddy

The Errabiddy project tenement E09/2457 surrounds the Buxton Resources Tenement E09/1985 where Buxton previously announced a significant graphite resource<sup>2</sup>. The presence of a graphitic schist just 6km west of the Buxton Resources graphite project as well as 2km to the north, provides confidence to the Company that the Errabiddy graphite mineralisation is one that demands follow up exploration and potentially the drill testing of graphite conductor targets identified from the Loupe surveys.

Preliminary field reconnaissance confirmed the presence of graphitic schists less than 6km from Graphite Bull within the company's 520km<sup>2</sup> tenement E09/2457 and with surface samples reporting up to 14.4% Total Graphitic Carbon (**TGC**). The Identification of outcrops of graphitic schist associated with conductive zones that extend beyond the known graphite areas of graphite occurrence highlights the prospectivity of the areas in proximity to the Graphite Bull deposit.

<sup>2</sup> Refer to Buxton Resources Ltd ASX announcement dated 24 October 2014.



Reconnaissance soil and rock chip samples have been selectively taken from the broader tenement area with a focus on nickel, rare earths and gold. The results from the assays delivered to the lab through this ground reconnaissance program will enable the Company to further refine exploration targets and to better design drill programs in future exploration activity. The area is prospective for a host of commodities and the Company will seek to progress the Errabiddy project exploration activity to take advantage of the wider market interest in the commodities it potentially holds. Activity in the area also includes Krakatoa Resources who recently reported widespread **pegmatites** at its Mt Clere project<sup>3</sup> and Desert Metals Ltd who reported **high levels of TREO's**<sup>4</sup>. Both these projects are less than 100km from the Company's Errabiddy project and the area is fast becoming an exciting prospective regional hub.

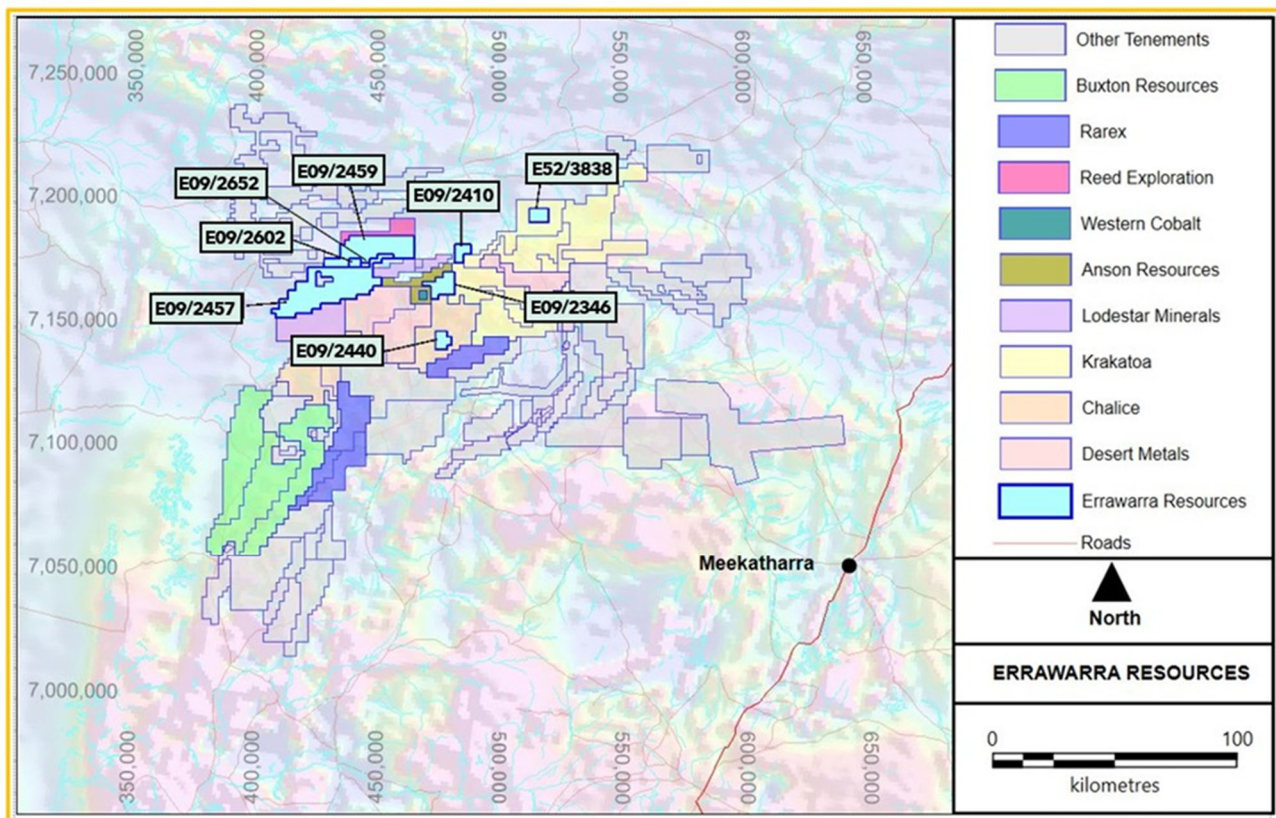


Figure 4. Errabiddy and regional projects

<sup>3</sup> Refer Krakatoa Resources Ltd ASX announcement dated 8 August 2023.

<sup>4</sup> Refer Desert Metals Ltd ASX announcement dated 1 September 2023.

## PLACEMENT

The placement will result in the issue of 35,416,667 fully paid ordinary shares at an issue price of \$0.12 per Share to raise \$4.25 million (before costs) (the **Placement**). The Placement issue price of \$0.12 represents a 25% discount to the Company's last close price of \$0.16.

The Company has engaged CPS Capital Group Pty Ltd to act as Lead Manager & Broker to the Placement. Details of the lead manager mandate are set out below.

The Placement Shares will be issued in two tranches:

- (a) Tranche one will be issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1 for 9,000,000 Shares; and
- (b) Tranche two will consist of up to 26,416,667 Shares (**Tranche 2 Placement Shares**), comprising:
  - (i) 26,366,667 Tranche 2 Placement Shares to non-related parties of the Company; and
  - (ii) 50,000 Tranche 2 Placement Shares to Mr Thomas Reddicliffe.

The Company notes that it will seek shareholder approval for the issue of all Tranche 2 Placement Shares at its Annual General Meeting proposed to be held in October 2023 (**AGM**).

### **Lead Manager**

Errawarra has entered into a lead manager mandate with CPS Capital Group Pty Ltd (**CPS**) (ACN 088 055 636) (AFSL No. 294848) (**Mandate**). The terms of the Mandate are summarised below:

- (a) CPS will receive a management fee of 2% of the total gross proceeds of the Placement excluding the Chairman's list, payable in cash;
- (b) CPS will receive a placing fee of 4% of the total gross proceeds of the Placement excluding the Chairman's list, payable in cash;
- (c) CPS will receive a placing fee of 1% of the total gross proceeds via the Chairman's list of \$650,000, payable in cash;
- (d) subject to shareholder approval, CPS or its nominee(s) will be issued 3,525,000 options exercisable into shares at \$0.18 each expiring three (3) years from the date of issue at a cost of \$0.0001 each (**Broker Options**); and
- (e) CPS is mandated to receive a monthly fee of \$6,500, excluding GST, payable in cash, for the provision of corporate advisory services to the Company from September 2023 for a period of six (6) months.

The Company will also seek shareholder approval for the issue of the Broker Options at its upcoming AGM.

## CHANGE OF PRINCIPAL PLACE OF BUSINESS

In accordance with ASX Listing Rule 3.14, Errawarra wishes to advise that effective today the Company's Principal Place of Business has changed to:

1202 Hay Street  
West Perth WA 6005

The Company's Registered Office and other contact details remain unchanged.

-ENDS-

This ASX announcement has been authorised for release by Thomas Reddicliffe, Executive Chairman on behalf of the Board of Directors.

For further information, please contact:

Tom Reddicliffe  
Executive Chairman  
Errawarra Resources Ltd  
E: [info@errawarra.com](mailto:info@errawarra.com)  
T: +61 8 9322 3383

**Competent Person Statement**

*Thomas Reddicliffe, BSc (Hons), MSc, a Director and Shareholder of the Company, is a Fellow of the AUSIMM, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration 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'. Thomas Reddicliffe consents to the inclusion in the report of the information in the form and context in which it appears.*