

ERRAWARRA ENTERS INTO STRATEGIC LITHIUM JOINT VENTURE EXPANDING EXPLORATION AREA TO 300KM²

HIGHLIGHTS:

- Errawarra Resources has entered into a Joint Venture (JV) agreement located within an emerging world class lithium precinct in the West Pilbara
- Pinderi Hills Project is considered prospective for lithium bearing pegmatites and increases Errawarra's landholding to 285km² which results in the company becoming one of the largest battery metals explorers in the region
- JV area covers major ultramafic/mafic complexes which are considered prospective for lithium bearing pegmatites.
- Pegmatite swarm target already identified within the JV tenement package
- Errawarra will earn up to 50% in the Pinderi Hills Project covering 175km² by spending up to A\$4 million across two stages
- Errawarra will be the manager of the JV and manage exploration activities during the earn-in phase

Errawarra Resources Ltd (ASX:ERW) (**Errawarra** or the **Company**) has entered into an agreement with Alien Metals Ltd (LSE:UFO) (**Alien**) in respect of the Pinderi Hills Project located in the West Pilbara (**Project**).

The Project comprises 175km² of prospective ground which comprises both granted mining leases and exploration licences. The Project is located 25km to the southwest of Errawarra's Andover West exploration licence.

Executive Chairman Thomas Reddicliffe commented:

"We are very excited by this new Joint Venture which makes Errawarra one of the largest exploration companies by area in the newly developing world class lithium province. The Pinderi Hills Project was highly sort after and has potential to host lithium pegmatites and is located to the southwest of Azure's lithium project at Andover. Having identified and confirmed a large pegmatite swarm on the tenements we will be moving quickly to determine the lithium potential of these pegmatites by way of systematic mapping and sampling and we would hope this will lead to drill testing of the pegmatites that prove to be fertile."

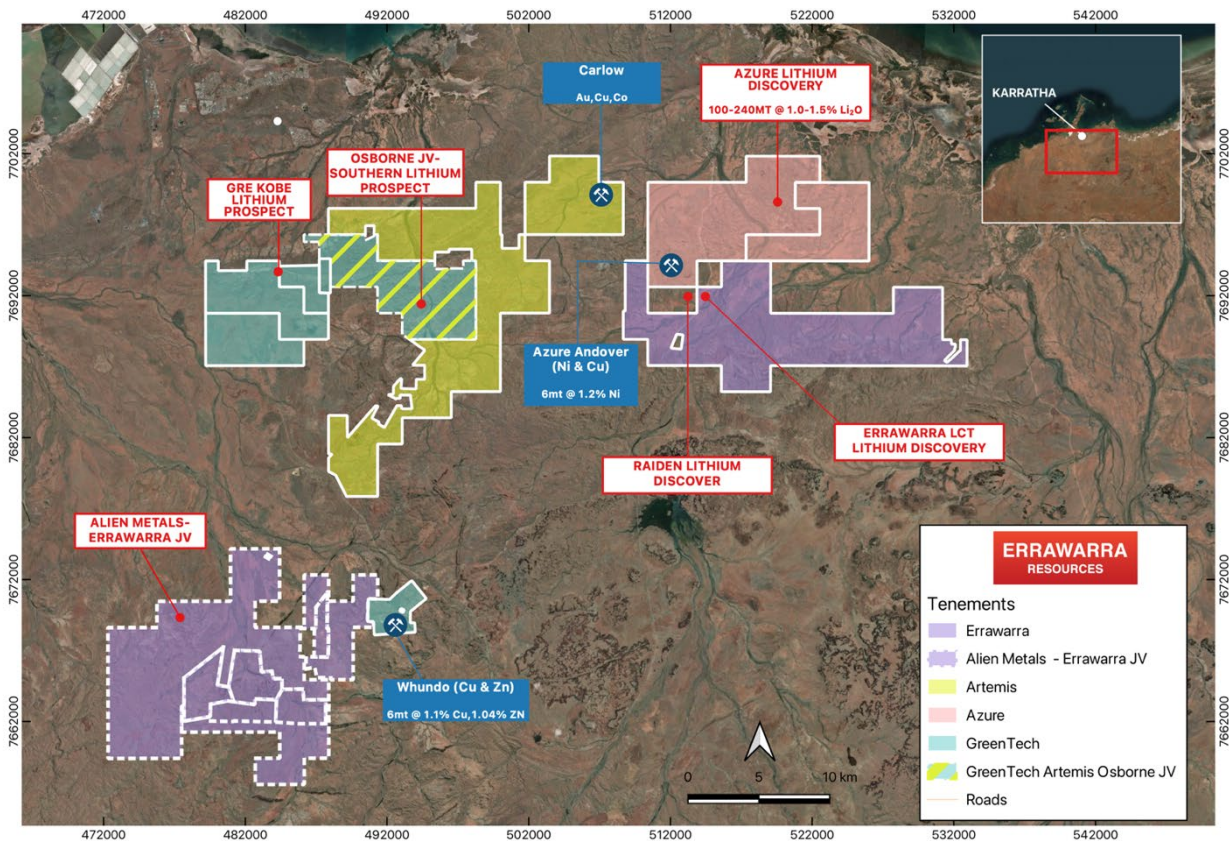


Figure 1. Errawarra and the new Alien Metals JV area in the West Pilbara Lithium Province.

Within the Pindari Hills tenement package of tenements, there is a large pegmatite swarm already identified which warrants investigation and which will provide an initial focus for the lithium pegmatite exploration. The Lithium Caesium Tantalum (LCT) pegmatite target areas have been identified in mafic-ultramafic rocks within the Pindari tenements near “hot” granites.

LITHIUM PEGMATITE TARGETS

The tenements are in an area considered prospective for lithium bearing pegmatites due to the presence of the Orpheus suite of rocks and their closely associated mafic intrusions. By analogy similar Orpheus Suite rocks are host to lithium pegmatite swarms in the significantly mineralised lithium pegmatite corridor located some 20km to the north.

A large number of pegmatite type geomorphic features associated with the Maitland Mafic Intrusion have been interpreted from imagery with some confirmed during ground reconnaissance. The full extent of these interpreted pegmatite dykes are shown in more detail in Figure 2.

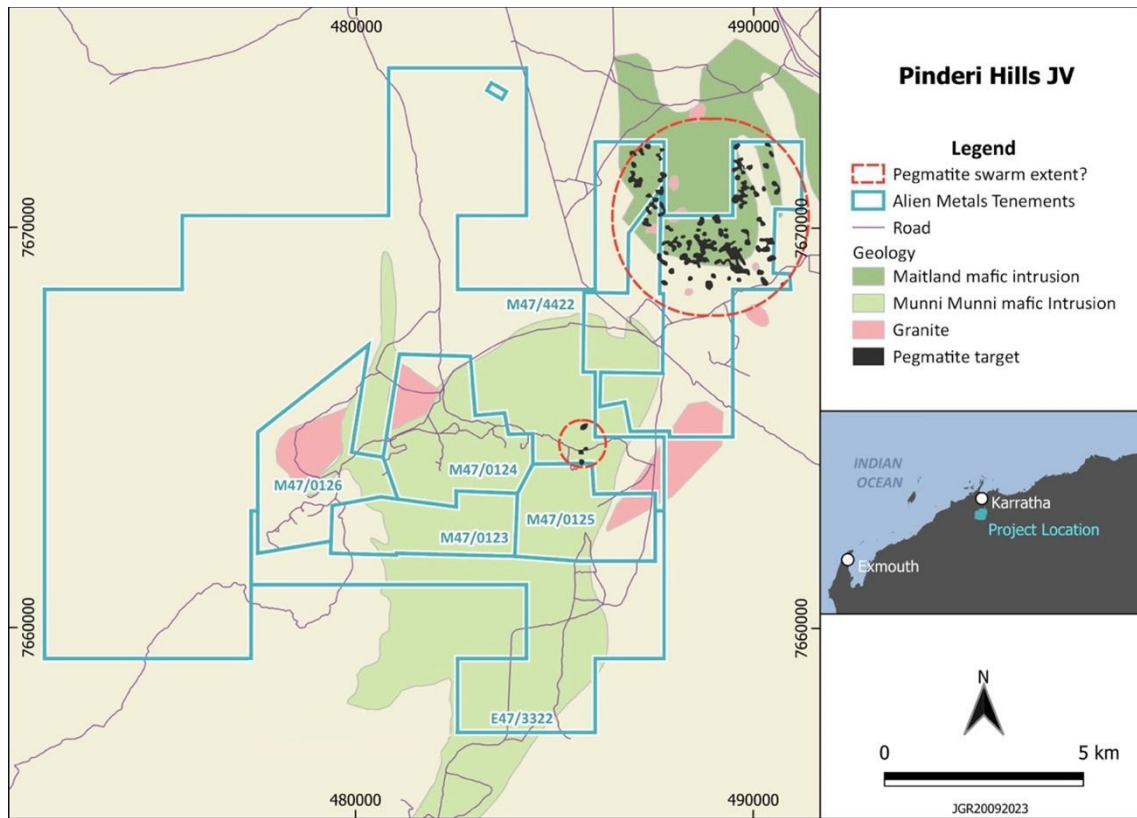


Figure 2. Pinderi Hills pegmatite swarm extent noted to date

JOINT VENTURE TERMS

Under the JV Agreement binding terms sheet, Errawarra is to contribute up to a total of A\$4 million to earn up to 50% of the Project over a period of 60 months as follows (**JV Terms**):

- › **Initial:** Errawarra will make a \$500,000 investment in Alien by way of a placement in the company at the 10 day volume weighted average price (**VWAP**) prior to execution of this agreement;
- › **Stage 1:** Errawarra will earn 25% by spending A\$1 million within 24 months of the date of the Terms of Agreement; and
- › **Stage 2:** Errawarra has the option to earn a further 25% by spending an additional A\$2.5 million over a period of 36 months post Stage 1 completion.

Upon successfully completing Stage 1 and Stage 2, Errawarra's interest in the Project will be 50%. Following the completion of Stage 2, both Errawarra and Alien will contribute to the Project on a pro-rata basis.

Refer to Appendix A for the summary of material transaction terms.

NEXT STEPS

Errawarra will build on the work completed to date which included assessment of satellite imagery and ground reconnaissance which was aimed at confirming the presence of pegmatites within the project area. Errawarra plans to mobilise its lithium exploration team to the Pinderi Hills location within the next few weeks to commence methodical mapping and sampling of the pegmatite swarm.

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

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About Errawarra Resources

Errawarra Resources (ASX:ERW) is a battery metal focused resources company with projects in Western Australia, including the Andover West Lithium Prospect located adjacent to Azure Minerals Ltd Andover lithium deposit in the highly prospective West Pilbara region and the Errabiddy gold/graphite/REE/lithium project located in the Gascoyne region.

For more information, please visit www.errawarra.com.

APPENDIX A

Summary of Material Transaction Terms

1. Material Terms

- › If Errawarra does not spend the required spend in either Stage 1 or Stage 2, its interest in the Project under the JV Terms will reduce proportionally.
 - › If Alien chooses not to contribute on a pro-rata basis following the completion of Errawarra's Stage 2 earn-in, Alien's 50% interest will convert to a 2% gross revenue royalty.
 - › Errawarra retains the first right of refusal to buy back the royalty, should Alien wish to sell and first rights to other minerals on the tenement package.
 - › Errawarra will be the manager of the JV and will be responsible to keep all Pinderi Hills tenements in good standing.
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2. Termination

The agreement will terminate if Errawarra does not contribute any expenditure during the first 12 months to the Project from the execution of the JV Terms.

The JV Agreement will establish the formal terms and conditions outlined in the JV Terms between Errawarra and Alien.