EMETALS
LIMITED

16 March 2020

The Manager
Market Announcements Office
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PERTH WA 6000

NARDOO HILL TENEMENT ACQUISITION

The Directors of eMetals Limited (ACN 142 411 390) (**ASX:EMT**) (**eMetals** or **Company**), are pleased to announce that the Company has entered into a binding tenement sale and purchase term sheet (**Acquisition Agreement**) setting out the terms upon which eMetals acquires a mineral tenement from Venus Metals Corporation Limited (ACN 123 250 582) (**Venus** or **Vendor**) (**Acquisition**).

Situated within the Nardoo Hill province, the Vendor has agreed to sell, and the Company agreed to acquire 100% of the legal and beneficial right, title and interest in E09/2156 and any and all other mining tenement applied for or granted in renewal, substitution, variation, conversion or extension, in whole or in part, of that tenement (**Tenement**), free from all encumbrances, and all mining information relating to the Tenement.

The proposed Acquisition is consistent with the objectives of the Company and its intended business strategy of acquiring and investing in complementary companies or prospects to its existing projects including the Nardoo Well tenement in the Gascoyne Province of Western Australia.

eMetals Director, Mathew Walker commented, "Following the ASX release on 9 March 2020 which detailed the commencement of exploration activities on the Nardoo Well project, we are delighted to announce the acquisition of this adjoining tenement which will complement our existing project and may be readily integrated into the scheduled work program. The acquisition provides structural geological continuity and near term drill targets for the company to test. We expect to provide the market with a further exploration update in respect of planned drilling activities in the next two weeks."

Summary of Key Terms for Acquisition of Tenement E09/2156

Under the terms of the Acquisition Agreement, the Company will acquire E09/ 2156 (**Tenement**) in consideration for, A$15,000 in immediately available funds, 25,000,000 fully paid ordinary shares in the capital of the Company (issued at $0.014 per Share) and a royalty of A$0.50 per tonne of ore extracted from the area within the Tenement, payable in cash. The

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Vendor and the Company shall negotiate in good faith the terms of a tenement sale and purchase agreement for the sale and purchase of the Tenement and a royalty agreement for the grant of the Royalty. The Vendor is not a related party of the Company nor a shareholder in the Company.

Nardoo Hill Tenement

Location

The Tenement is located in the Nardoo Hill area. The project the Tenement falls within (the **Nardoo Hill Lithium-Tantalum Project***), lies within the Gascoyne Mineral Province in Western Australia*, approximately 840 km to the north of Perth. The project overlies the historical Nardoo Hill & Morrissey Hill workings, in a pelitic and gneissic terrain that has been extensively intruded by pegmatites, which host tantalum-lithium-niobium mineralisation.

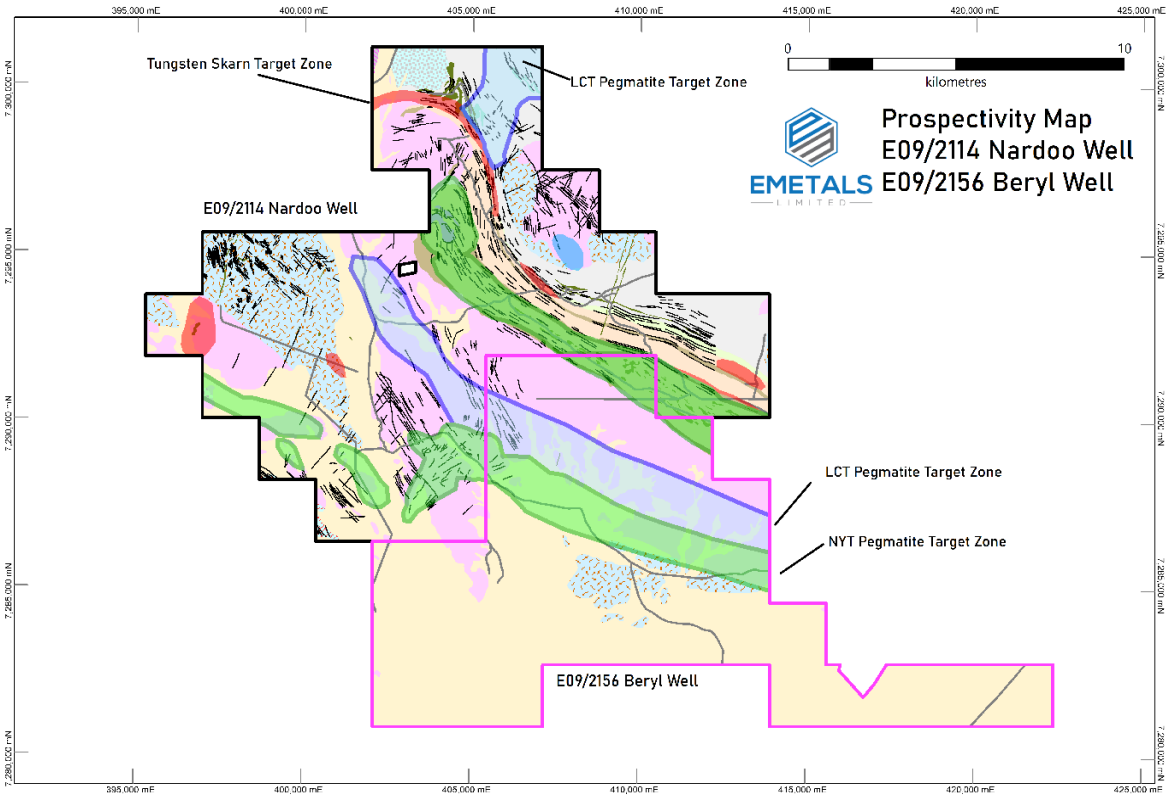

Figure 1. Location of the Tenement the subject of the Agreement between the Company and Venus Metals Corporation Limited and proximity to eMetals existing Nardoo Well tenement.

An initial program of reconnaissance mapping & sampling has been completed over the project area and identified the extensive mineralised structural and stratigraphic Nardoo Lithium-Tantalum-Niobium Trend, which covers over twenty kilometres of strike. Venus Metals Limited exploration, comprising field mapping and rock-chip sampling, has focussed on a 4 km^2 area centred on the Nardoo Hill prospect in the north of ELA 09/2156.

Historical Exploration

The Nardoo Hill tenement has been explored since approximately 1972, mostly for tantalum-niobium mineralisation. Previous explorers undertook mapping, rock chip sampling, bulk sampling and beneficiation tests on the occurrence between 1986 and 1998.

The prospect was drilled by Border Gold NL in 1998, with 28 RC holes drilled. The RC drilling did not return appreciable tantalum-niobium mineralisation. WAMEX reports for this program are incomplete and drilling cannot be completely verified.[1]

Historical exploration indicates the presence of a shallow tantalum deposit at the prospect, as well as the presence of significant niobium mineralisation. The main pegmatitic unit at Nardoo Hill is 200 metres wide and extends over several hundred of metres of strike. It is one of the largest outcropping pegmatites in a suite of intrusive bodies in the Yinnetharra district. Previous sampling at Nardoo Hill Prospect returned high-grade assays in rock specimens with up to 16.0% Ta_2O_5 and 61.2% Nb_2O_5, and up to 0.27% Li_2O.[2]

Prospectivity and Work Program

Gneiss Results, geological consultants to EMetals Limited, during a site visit, has confirmed the presence of tantalum-niobium and beryllium mineralisation at surface, and confirmed the location of historical RC drilling by Border Gold NL. Gneiss Results considered that drilling may have been oriented incorrectly to test the tantalum-niobium mineralisation.

The Nardoo Hill pegmatite has not been comprehensively sampled for REE or lithium mineralisation, as identified in pegmatites on EMetals E09/2114 tenement (see EMT ASX Release dated 9th March, 2020), and represents a target for mineralisation of this nature (see Figure 1). Emetals will compile historical exploration reports, and undertake surface sampling, mapping, and has begun planning for a drill test of the pegmatite.

[1] *Source:* WAMEX Report A64658

[2] *Source:* Venus Metals Corporation Limited ASX release dated 15 July 2016. Refer to Announcement for further references.

For, and on behalf of, the Board of the Company, and authorised for release.
Gary Lyons
Chairman
EMETALS Limited

Shareholders and other interested parties can speak to Mr Sonu Cheema if they have any queries in relation to this announcement: +618 6489 1600.

Forward looking statements

This announcement contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and our management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by law. These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements.

Competent Persons Statement

The information in this announcement that relates to Exploration Results is based on and fairly represents information and supporting documentation prepared by Mr Roland Gotthard. Mr Gotthard is a consultant geologist for EMETALS and a member of the Australian Institute of Mining and Metallurgy. Mr Gotthard has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this announcement and to the activity which they are undertaking 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' ("JORC Code"). Mr Gotthard consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

JORC CODE, 2012 EDITION – TABLE 1

Section 1 sampling techniques and data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Historical rock chip, stream and channel sampling is detailed in historical WAMEX • The historical exploration information is incomplete, with holes missing from the historical record • Various rock chip, stream sediment and soil sample programs have been completed over the tenure since 1972
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Historical drilling was by Reverse Circulation drilling

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No historical sample recovery information is available
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• No logging of historical drill samples has been undertaken
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Historical RC drilling at Beryl Hill was not reported in historical WAMEX reports
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model,*	• Historical drilling information is missing from WAMEX reports • Historical assay and sample methodologies may not represent current best practise

Criteria	JORC Code explanation	Commentary
	reading times, calibrations factors applied and their derivation, etc. • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Historical information is presented unadjusted from the results reported in the statutory reports • No resampling of historical sample materials has been undertaken • No adjustment to historical assay data has been undertaken • No twinned holes have been drilled
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Historical holes drilled by Border Gold are not reported in historical WAMEX reports • Collars have been sighted by company personnel but individual hole ID's are unknown
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Reporting of historical exploration results is considered appropriate to the early stage exploration
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• N/A

Criteria	JORC Code explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• N/A
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• N/A

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• E09/2156 Beryl Well • The tenements are granted and held by Venus Metals Corporation Limited • Heritage Access agreements with native title holders exist over the tenure
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Exploration results were sourced from WAMEX exploration reports available from the Department of Mines and Resources of Western Australia online databases • Specific reports of interest containing data referred to in this announcement are; WAMEX A37994, A50529, A54462, A57817, A62259, A66449, A64658

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Beryl Well is a Ta-Nb-Bi-Be-Li-Y-REE bearing pegmatite of an intermediate LCT-NYF type • Swarms of similar pegmatites exist within the Yinnetharra Pegmatite Field, Gascoyne Province, Western Australia

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	• *easting and northing of the drill hole collar*
	• *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	• *dip and azimuth of the hole*
	• *down hole length and interception depth*
	• *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Beryl Well was held by Rare Resources Ltd from 1987 to 1996 in a variety of joint ventures and exploration agreements
		  • Kanowna Lights reported that Border Gold NL had drilled 28 RC holes, with no significant tantalum results reported. The holes were drilled to the south-west parallel with strongly mineralised pegmatite veins.
		  • Drilling information is missing from WAMEX reports of this era and can not be confirmed
		  • Company Personnel have visited the Beryl Well pegmatite outcrop and confirmed drill collars exist, and confirmed tantalite, beryl minerals within the pegmatite

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• N/A

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• No determination of true widths has been made
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• A map showing tenement locations has been included • Maps showing the distribution of mineralised occurrences and anomalies has been provided
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Historical results have been described in a manner consistent with historical interpretations of them, except where modified by work undertaken by the Company. • It is considered unfeasible and inappropriate to report all historical results. Significant results referred to in the body of the report are presented and attributed in Appendix 1.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• N/A
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Field work planned includes confirmation sampling of pegmatite outcrops, mapping, surface geochemistry and planning of drilling