ERRAWARRA
Resources
ABN 95 155 472 834

ASX ANNOUNCEMENT

22 February 2022

ANDOVER WEST NICKEL PROJECT TRANSACTION UPDATE

Errawarra Resources Ltd (ASX:**ERW**) (**Errawarra** or the **Company**) is pleased to provide an update on the proposed acquisition of the Andover West Nickel project (announced 23 November 2021). The Company entered into a binding agreement (**Agreement**) to acquire an 80% interest in Western Exploration Pty Ltd (**WEPL**), the owner of E47/4352, which comprises the Andover West Project (the **Tenement**). WEPL holds all mineral rights with the exception of Iron Ore. Mr Thomas Reddicliffe, a director of Errawarra, is the sole director and shareholder of WEPL (the **Vendor**). The acquisition is subject to all necessary shareholder, regulatory and third-party approvals being obtained.

The Company continues to shepherd the acquisition of the Andover West Nickel prospect through the regulatory process with the Independent Expert's report on the proposed acquisition close to finalisation.

Errawarra anticipates holding a general meeting to seek the necessary approvals from shareholders in April 2022 (**General Meeting**). Given the related party nature of the proposed acquisition and potential impacts to voting power, shareholder approval will be sought pursuant to ASX Listing Rule 10.1 and Item 7, Section 611 of the Corporations Act.

The Independent Expert's Report on the proposed acquisition will be provided to shareholders along with the notice of meeting.

In step with the regulatory process the company can confirm that the Heritage Protection and Access Agreement with the Ngarluma Land Council is also close to finalisation. On completion of this process the tenement will proceed to grant.

Commenting on this acquisition, Errawarra's Non-Executive Chairman, Jonathan Murray, said: "Despite some delays we are close to completing the necessary regulatory processes and remain pleased to have negotiated the acquisition of the Andover West Project. This is a significant acquisition for the Company; with targets to drill, and right next door to Azure's advanced nickel-copper project, we have the right commodities in the right location and with a strong chance of exploration success".

"With the electrification and decarbonisation of the economy continuing to gather pace, the successful identification of nickel sulphide deposits has potential to be value accretive for investors. We believe the Andover West Project provides Errawarra shareholders with exposure to highly prospective EM anomaly targets as well as regional exploration potential."

Key Amended Terms and Conditions of the acquisition Agreement

Following further tax and legal advice received by the Company, the consideration securities to be issued by the Company to WEPL has changed from ordinary shares to performance rights, as follows:

On completion of the Acquisition, Errawarra will:

(a) issue the Vendor (or his nominees) 15,000,000 Class A Performance Rights, which convert into fully paid ordinary shares in the Company on the granting of E47/4352; and

(b) issue the Vendor (or his nominees) 5,000,000 Class B Performance Rights, which convert into fully paid ordinary shares in the Company on the announcement of a JORC inferred mineral resource of at least 1,000,000 tonnes nickel at 1% (including nickel equivalent metals) using industry standard cut-offs.

A summary of the key terms and conditions of the Performance Rights (Performance Rights) to be issued by Errawarra are set out below:

Performance Milestone Conditions and Expiry Dates

The Performance Rights shall be subject to the following **Performance Milestone Condition** and shall expire on the dates as set out below (together, the **Expiry Date**).

Class	Performance Milestone Condition	Expiry Date
Class A	Vesting on the grant of the Application.	1 year from the date of issue
Class B	Vesting on the Purchaser announcing a maiden JORC compliant Inferred Mineral Resource (as defined in the JORC Code 2012 Edition) on the Application Tenement of at least 1,000,000 tonnes of nickel at 1% (including nickel equivalent metals) within and using industry standard lower cut off grades.	5 years from the date of issue

Completion of the Acquisition is conditional upon the satisfaction (or waiver) of the following conditions precedent:

(a) **Due diligence:** completion of financial, legal and technical due diligence (completed)

(b) **Incorporated Joint Venture:** the Vendor and the Purchaser entering into an incorporated joint venture agreement

(c) **Deed of Acknowledgement:** the Vendor and the Purchaser entering into a deed to acknowledge the Mineral Rights Agreement

(d) **Grant of Tenement:** the Application Tenement is granted, on terms acceptable to the Purchaser (acting reasonably); and

(e) **Approvals:** the Parties obtaining all necessary regulatory, shareholder, or third party consents or approval required to lawfully complete the transactions contemplated by this Agreement, including (if required), without limitation, Purchaser shareholder approval for the purposes of ASX Listing Rules 10.1 and 10.11 for this issue of the Consideration Shares and Consideration Options and/or approval under item 7 section 611 of the Corporations Act for the Vendor (together with his associates) to increase its voting power in the Company beyond 20% by virtue of the Acquisition.

Andover West Nickel Project

The Andover West Project is situated within the north-western portion of the Pilbara Craton and covers granite greenstone terrane lithologies hosted within the West Pilbara Super Terrane.

Of economic interest is the Andover Intrusive Complex of the Orpheus Supersuite which is host to nickel sulphide mineralisation (Azure Minerals Ltd ASX announcement on 12 October 2020) and which also outcrops in the northwest corner of the Tenement.

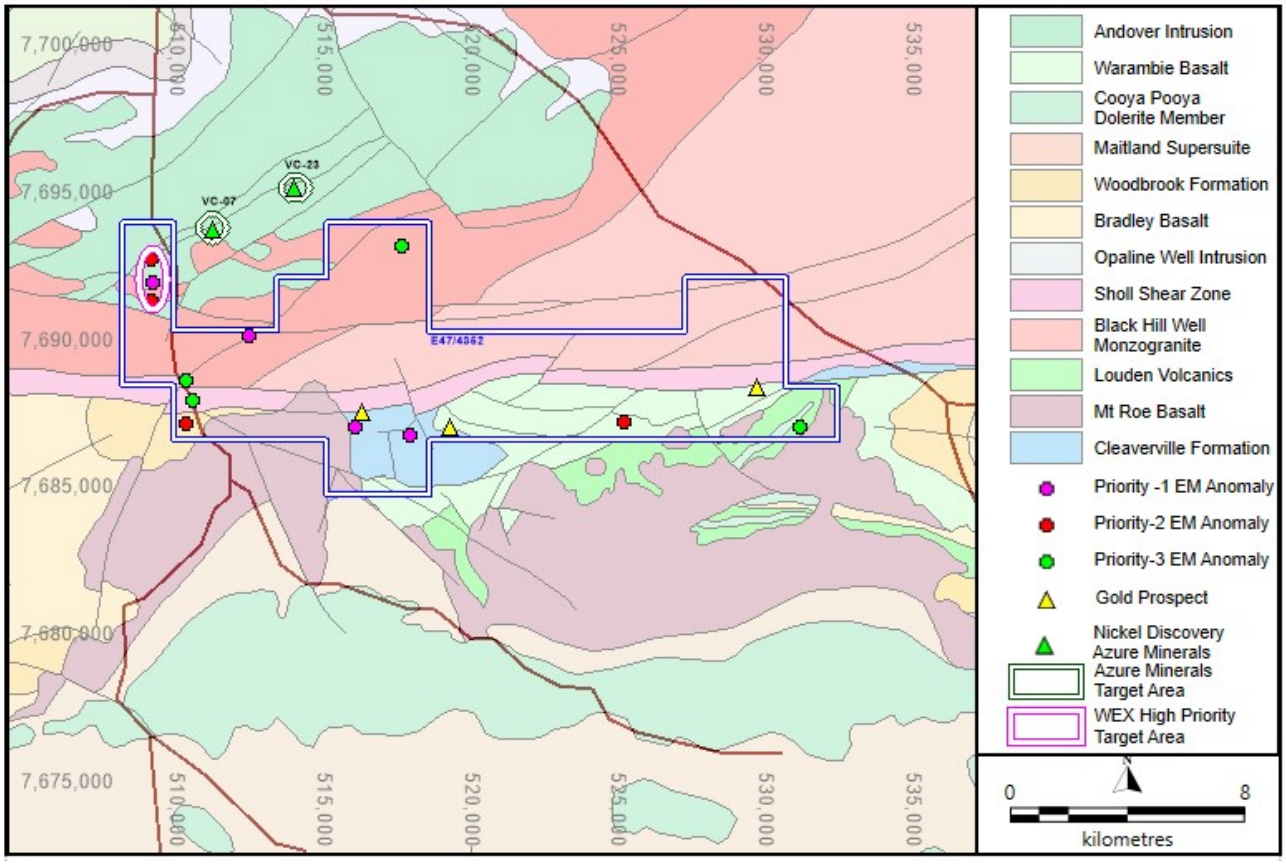

Figure 1: Location of the Tenement and Priority EM anomalies relative to Azure's VC-07 Ni-sulphide discovery

The highest priority EM (Electromagnetic) target identified from historic work is located along the southern margin of the Andover Intrusive Complex in the northwest corner of the Andover West Tenement, and some 2 8 km to the SW of Azure Minerals Ltd Nickel Sulphide discovery "VC 07" which sits within a similar position along the edge of the intrusion contact. Two additional associated VTEM targets have also been identified within the Andover Intrusive Complex to the north and south of the high priority EM target area.

Previous explorers carried out ground based fixed loop EM (FLEM) surveying over four identified VTEM anomalies, with moderate conductors resolved. However, none of these targets were drill tested as the EM anomaly amplitudes and modelled conductive plate sources were considered too small to represent well-developed massive sulphides with economic potential. There has been a technical reassessment of the prospectivity of these EM targets in light of the recent success of Azure across the tenement boundary. The company considers that these EM anomalies have not been properly explained, and that they represent valid untested targets requiring detailed follow up exploration, modelling and drill testing

With the electrification and decarbonisation of the economy continuing to gather pace, the successful identification of nickel sulphide deposits has potential to be value accretive for investors. We believe the Andover West Project provides Errawarra shareholders with exposure to priority EM targets as well as regional exploration potential within a highly mineralised terrain and surrounded by several significant developing projects.

- Azures' Andover Ni-Cu-Co Project undergoing resource drill out and located 2.8kkm northeast of Andover West (Refer ASX announcement 21 February 2022)
- Artemis' Carlow Castle Cu-Co-Au Project undergoing resource drill out and located 6 km to the north northwest of Andover West (Refer ASX announcement 10 February 2022)
- Novo highlights priority Ni-Cu targets 3km to the north of Andover West (Refer corporate presentation 2 February 2022)
- Greentech/Artemis propose drilling of Priority Ni-Cu target15km west of Andover West (Refer Greentech Metals Prospectus)

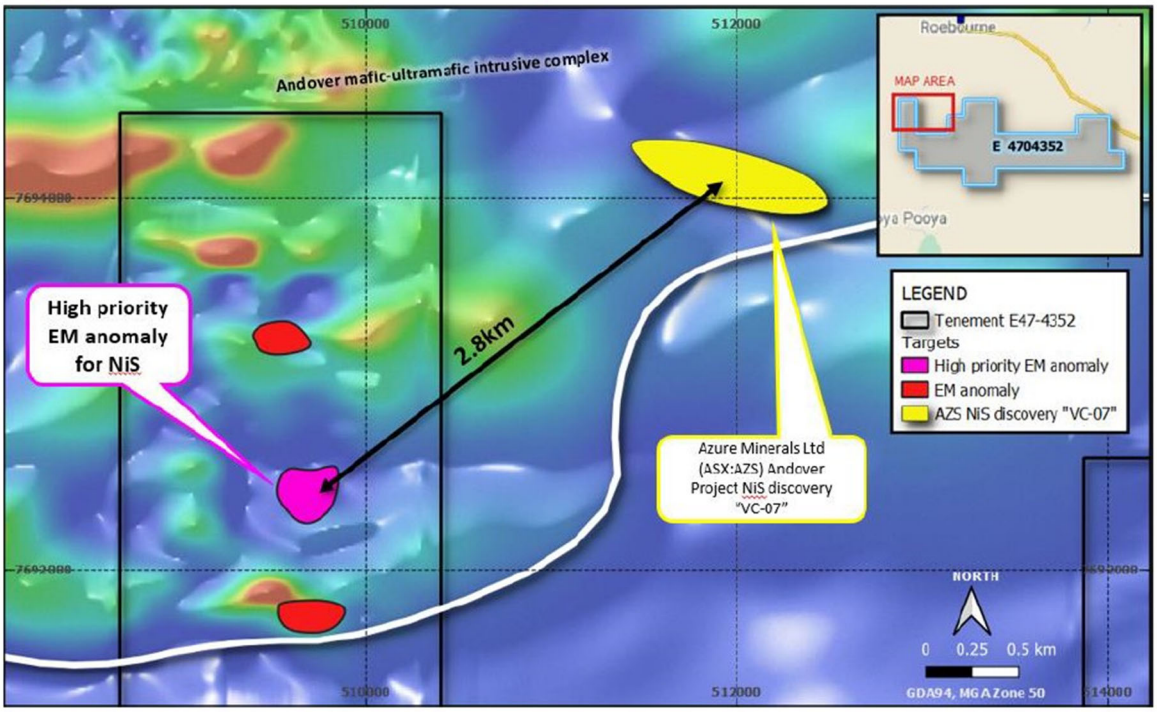

Figure 2: Location of High Priority EM anomaly and Azure's VC-07 Ni-sulphide discovery

This ASX announcement has been authorised for release by Jonathan Murray, on behalf of the Board.

For further information, please contact:

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APPENDIX 1

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

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 representivness 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.	The following surveys were available for the tenement area. (a) (2013) Airborne EM (VTEM), Survey - a multiclient survey managed by Southern Geoscience.. Flown N-S at 200m line spacing and with average terrain separation of 84m. (b) (2018) Aeromagnetic Survey commissioned by Artemis. Flown N-S at 50m line spacing. (c) A high powered (HP), fixed loop TEM (FLTEM) survey was completed November 2015 by Outer Rim Exploration Services Pty. Ltd. on behalf of Magnetic South Pty. Ltd. The HP FLTEM surveys conducted on 4 targets comprised 19 traverse lines (4 loops) for 17.03 line kms of surveying (369stns). All data were acquired with a SMARTem24 instrument combined with an ORE HP transmitter and a B-field fluxgate sensor working at a base frequency of 1.5625-5Hz (50-160ms time base).
Drill type	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.)	No drilling is being reported in this announcement.
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 drilling is being reported in this announcement.
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.	No drilling is being reported in this announcement.

Criteria	JORC Code Explanation	Commentary
	The total length and percentage of the relevant intersections logged	
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all cores 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 representivness 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	No drilling is being reported in this announcement.
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, reading times, calibrations factorsapplied 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	No drilling is being reported in this announcement.
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	The VTEM and Aeromagnetic data was reprocessed by Resource Potentials an independent Geophysical Service provider with extensive experience in the Pilbara area.
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.	The MGA94 UTM zone 51 coordinate system was used for all undertakings.
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	The VTEM survey was flown N-S at 200m line spacing. The Aeromagnetic survey was flown N-S at 50m line spacing

Criteria	JORC Code Explanation	Commentary
	Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied.	
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	The airborne surveys were flown N-S which is orthogonal to the general E-W lithological and structural trends.
Sample security	The measures taken to ensure sample security.	No sampling reported in this announcement
Audits or reviews	The results of any audits or reviews of sampling techniques and data	No drilling is being reported in this announcement.

Section 2 Reporting of Exploration Results

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.	Exploration Licence Application E47/4352 is progressing through Access and Heritage negotiations. The licence application is held 100% by Western Exploration Pty Ltd.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties	The most notable exploration undertaken within the tenement area was by Fox Resources/Artemis resources. This included an airborne EM survey (VTEM) from which numerous conductor targets were identified.
Geology	Deposit type, geological setting and style of mineralisation.	The Project tenement is situated within the northwest portion of the Pilbara Craton and covers granite-greenstone terrane lithologies hosted within the 3280-3066 Ma West Pilbara Super-Terrane (WPST). Locally, the Project tenement is bisected by the major regionally extensive, long-lived, and multiple-reactivated Sholl Shear Zone (SSZ), which trends east-west through the centre of the Andover tenement and constitutes a wide deformation zone of about 1km wide that separates major terranes and super-basins.

Criteria	JORC Code Explanation	Commentary
		The 3280-3263Ma Karratha Terrane located on the north side of the SSZ is dominated by the Harding Granitic Complex, comprised of the Maitland River and Orpheus Supersuites, which are for the most part masked by Mesozoic sediments and Tertiary colluvial and alluvial deposits. Of economic interest is the ca 3016Ma Andover Intrusive Complex of the Orpheus Supersuite, which crops out in the northwest corner of the tenement, and which has recently been identified to contain nickel sulphide mineralisation (Azure Minerals Ltd ASX announcement 12th October 2020). The mafic volcanic intrusions within the tenement are considered prospective for Andover style Ni-Cu-Co magmatic sulphide mineralisation
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	No drilling is being reported in this announcement.
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.	No drilling is being reported in this announcement.
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.	No drilling is being reported in this announcement.

Criteria	JORC Code Explanation	Commentary
	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').	
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	Refer to figures and tables in the body of the ASX release.
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 avoiding misleading reporting of Exploration Results	The exploration results reported fall within the range of geophysical responses that can be representative of the mineralisation styles being sought.
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.	The following airborne geophysical surveys pertinent to the project area have been reviewed -Mt Oscar. SGC. mag/rad/dem, 200m line spacing, N-S orientation 60m ht -Pilbara 2019 NW, GSWA, gravity/dem, 2,500 line spacing, E-W orientation In 2017 soil sampling was completed over gold prospects that had been highlighted from historic BLEG sample results. A total 308 soil samples were collected at a 100m x 25m spacing from the White Quartz Hill, Landau and Fairmont prospects all located on the southern portion of the project tenement.. The samples were subject to multi element analysis including gold. Samples were processed by Intertek Genanalysis Laboratory. A number of anomalous gold results were reported. There was no follow-up of these results.
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.	Further work is planned as stated in this announcement